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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	CASE NO. 05 CV 01114 JW MDL No. 1665 **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S LEGAL MEMORANDUM RE THE DEFINITIONS OF CLAIM TERMS FROM THE '863 AND '720 PATENTS AND TERMS FROM THE '992 PATENT THAT THE COURT HAS ALREADY CONSTRUED** **DATE:** September 7-8, 2006 **TIME:** 9:00 a.m. **CTRM:** Hon. James Ware

TABLE OF CONTENTS

(Page)

I. INTRODUCTION 1

II. CLAIM 14 OF THE ‘863 PATENT 2

1. “Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location” and “Wherein the Transmitting Step Comprises” (‘863 Patent, Claim 14; ‘720 Patent, Claim 8) 3

a) The Phrase "Representing a Complete Copy of at Least One Item of Audio/Video Information" is Not Indefinite 4

b) The Court Should Not Limit an "Item Having Information" to a Physical Object and Should not Limit the "Complete Copy" to All of the Information That is Contained on One Physical Object 5

c) The Meaning of "Central Processing Location" 7

(1) “Central Processing Location” is not Indefinite 8

(2) The Court Should Not Add Limitations to the Claim that There is a *Plurality* of “Local Distribution Systems” or that the “Local Distributions” *Directly and Exclusively* Receive Information from the Central Processing Location 9

2. “Inputting an Item Having Information Into the Transmission System” (‘863 Patent, Claim 14 and 17) 13

a) The Meaning of the Term “Inputting” 13

b) The Term “Inputting” is not Indefinite 14

c) The Court Should Not Import the Limitation of a “Source Material Library” From the Specification into Claims 14 and 17 14

3. “Assigning a Unique Identification Code to the Item Having Information” (‘863 Patent, Claims 14 and 17) 19

(1) The Court Should Not Import the Limitation of an “Identification Encoder” From the Specification into Claims 14 and 17 21

TABLE OF CONTENTS (Cont'd)

(Page)

4. "Formatting the Item Having Information as a Sequence of Addressable Data Blocks" ('863 Patent, Claims 14 and 17)............. 22

5. "Receiving the Transmitted Compressed, Digitized Data Representing a Complete Copy of the at Least One Item of Audio/Video Information, at a Local Distribution System, Remote From the Central Processing Location" ('863 Patent, Claims 14 and 17)........ 24

a) The Meaning of "Local Distribution System" 25

(1) The "Local Distribution System" Does Not Include Any Limitations Regarding "Local Geographic Regions" 26

(2) The Term "Local Distribution System" is Not Indefinite 27

6. "Storing the Received Compressed Digitized Data Representing the Complete Copy of the at Least One Item at the Local Distribution System" ('863 Patent, Claims 14 and 17).. 28

7. "In Response to the Stored Compressed, Digitized Data, Transmitting a Representation of the at Least One Item at a Real-Time Rate" ('863 Patent, Claim 14, '720 Patent, Claim 8).. 29

a) The Meaning of "Transmitting a Representation of the at Least One Item".. 29

(1) The Term "Representation" is Not Indefinite 30

b) The Meaning of "In Response to the Stored Compressed, Digitized Data, Transmitting. . ." 31

8. "At Least One of a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 14).. 32

(1) The Term "Subscriber Receiving Station" is Not Indefinite 35

9. "Decompressing the Compressed, Digitized Data Representing the at Least One Item of Audio/Video Information After the Transmission Step Wherein the

TABLE OF CONTENTS (Cont'd)

(Page)

Decompressing Step is Performed in the Local Distribution System to Produce the Representation of the at Least One Item For Transmission To The At Least One Subscriber Station" ('863 Patent, Claim 14) 36

III. CLAIM 15 OF THE '863 PATENT 37

10. "Wherein the Inputting Step Comprises Inputting the Item Having Information as Blocks of Digital Data" ('863 Patent, Claims 15, 18) 37

IV. CLAIM 16 OF THE '863 PATENT 38

11. "Wherein the Inputting Step Comprises Inputting the Item Having Information as an Analog Signal and Converting the Analog Signal to Blocks of Digital Data" ('863 Patent, Claims 16 and 19) 39

V. CLAIM 17 OF THE '863 PATENT 40

12. "Formatting Items of Audio/Video Information as Compressed Digitized Data at a Central Processing Location" and "Wherein the Formatting Step Comprises" ('863 Patent, Claim 17) 41

a) The Formatting Step Includes Other Steps 42

13. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" ('863 Patent, Claim 17) 43

14. "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item to at a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 17) 44

a) The Meaning of "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item" 45

b) The Meaning of "to at a Plurality of Subscriber Receiving Stations" 46

c) The Meaning of "Subscriber Receiving Stations" 47

15. Whether Each Step of Claims 14 and 17 of the '863 Patent

TABLE OF CONTENTS (Cont'd)

(Page)

and Claims 8 and 11 of the ‘720 Patent Begin and Occur Only After a Prior Step or Steps Have Been Completed 47

VI. CLAIMS 4, 7, 8, AND 11 OF THE ‘720 PATENT 47

16. “Subscriber Selectable Receiving Stations” (‘720 Patent, Claims 4, 8, and 11) 49

17. “Means, Responsive to the Stored, Compressed Digitized Data, for Transmitting a Representation of the at Least One Item of Audio/Video Information at a Real-Time Rate to at Least One of the Plurality of Subscriber Selectable Receiving Stations” (’720 Patent, Claim 4) 51

18. “Means for Inputting Items of Audio/Video Information” (‘720 Patent, Claim 7) 53

19. “Conversion Means for Placing Each Item of Audio Video Information Into a Predetermined Format as Formatted Data” (‘720 Patent, Claim 7) 55

20. “Transmitter Means for Sending Compressed Formatted Data for the at Least One Item of Audio/Video Information at the Non-Real Time Rate to the Reception System” (‘720 Patent, Claim 7) 57

21. “. . . Transmitting, Using a Transmitting Means, a Representation of the at Least One Item at a Real-Time Rate to at Least One of a Plurality of Subscriber Selectable Receiving Stations” (‘720 Patent, Claim 8) 60

VII. CLAIM TERMS FROM THE ‘992 PATENT THAT THE COURT HAS ALREADY CONSTRUED 61

22. “Transmission System” (‘992 Patent, Claims 19 and 41; ‘275 Patent, Claims 2 and 5; ‘863 Patent, Claims 14 and 17) 61

23. “Reception System” (‘275 Patent, Claims 2 and 5) 65

24. “Storing Items Having Information in a Source Material Library” (‘992 Patent, Claim 41) 68

25. “Items Containing (or Having) Information” (‘992 Patent, Claims 19 and 41; ‘275 Patent, Claims 2 and 5; ‘863 Patent, Claims 14 and 17) 70

26. “Remote Locations” (‘992 Patent, Claim 41) 71

TABLE OF CONTENTS (Cont'd)

(Page)

27. "Retrieving the Information in the Items from the Source Material Library" ('992 Patent, Claim 41) 72

28. "Assigning a Unique Identification Code to the Retrieved Information" ('992 Patent, Claim 41) 74

29. "Placing the Formatted Data into a Sequence of Addressable Data Blocks" ('992 Patent, Claim 41) 75

30. "Storing, as a File, the Compressed, Formatted, and Sequenced Data With the Assigned Unique Identification Code" ('992 Patent, Claim 41) 79

VIII. CONCLUSION 81

TABLE OF AUTHORITIES

(Page)

Cases

All Dental Prodx, LLC v. Advantage Dental Prods., Inc., 309 F.3d 774 (Fed. Cir. 2002) 10

Bancorp Servs., L.L.C. v. Hartford Life Ins. Co., 359 F.3d 1367 (Fed. Cir. 2004) .... passim

Comark Communs., Inc. v. Harris Corp. 156 F.3d 1182 (Fed. Cir. 1998) 11

Crystal Semiconductor Corp. v. TriTech Microelectronics Int'l, Inc. 246 F.3d 1336 (Fed. Cir. 2001) 11

Electro Medical Sys., S.A. v. Cooper Life Sciences, 34 F.3d 1048 (Fed. Cir. 1994) 19

Epcon Gas Sys., Inc. v. Bauer Compressors, Inc., 279 F.3d 1022 (Fed. Cir. 2002) 22, 65

Exxon Research & Eng'g Co. v. United States, 265 F.3d 1371 (Fed. Cir. 2001) 47

Free Motion Fitness, Inc. v. Cybex International, Inc., 423 F.3d 1343 (Fed. Cir. 2005) 10

Gillette Co. v. Energizer Holdings, Inc. 405 F.3d 1367 (Fed. Cir. 2005) 11

Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc. 222 F.3d 951 (Fed. Cir. 2000) 16

Hoganas AB v. Dresser Industries, Inc. 9 F.3d 948 (Fed. Cir. 1993) .... passim

Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc. 381 F.3d 1111 (Fed. Cir. 2004) 11

Intel Corp. v. Via Techs., Inc. 319 F.3d 1357 (Fed. Cir. 2003) 5

Intervet America, Inc. v. Kee-Vet Laboratories, Inc. 887 F.2d 1050 (Fed. Cir. 1989) 12

Johnson & Johnston Assocs. v. R.E. Serv. Co. 285 F.3d 1046 (Fed. Cir. 2002) 12

TABLE OF AUTHORITIES (cont'd)

(Page)

Laitram Corp. v. Cambridge Wire Cloth Co.,
863 F.2d 855 (Fed. Cir. 1988) 19, 22, 64

Mantech Environmental Corp. v. Hudson Environmental Servs., Inc.,
152 F.3d 1368 (Fed. Cir. 1998) .... passim

McCarty v. Lehigh Valley R.R. Co.,
160 U.S. 110 (U.S. 1895) 12

Medrad, Inc. v. MRI Devices Corp.
401 F.3d 1313 (Fed. Cir. 2005) .... passim

Merck & Co. v. Teva Pharms. USA, Inc.
347 F.3d 1367 (Fed. Cir. 2003) .... passim

Nazomi Communications, Inc. v. ARM Holdings PLC
403 F.3d 1364 (Fed. Cir. 2005) 16

Network Commerce, Inc. v. Microsoft Corp.
422 F.3d 1353 (Fed. Cir. 2005) 8, 26, 34

Phillips v. AWH Corp.,
415 F.3d 1303 (Fed. Cir. 2005) 11, 14

Prima Tek II, LLC v. Polypap
318 F.3d 1143 (Fed. Cir. 2003) .... passim

Raytheon Co. v. Roper Corp.,
724 F.2d 951, 220 U.S.P.Q. 592 (Fed. Cir. 1983) 13, 66

Renishaw, PLC v. Marposs Societa' per Azioni
158 F.3d 1243 (Fed. Cir. 1998) .... passim

Resonate, Inc. v. Alteon Websystems, Inc.,
338 F.3d 1360 (Fed. Cir. 2003) .... passim

SRI Int'l v. Matsushita Elec. Corp. of America
775 F.2d 1107 (Fed. Cir. 1985) 13, 66

Standard Oil Co. v. American Cyanamid Co.
774 F.2d 448 (Fed. Cir. 1985) .... passim

Teleflex, Inc. v. Ficosa N. Am. Corp.,
299 F.3d 1313 (Fed. Cir. 2002) 16, 17, 22

Texas Instruments, Inc. v. U.S. International Trade Com.,
805 F.2d 1558 (Fed. Cir. 1986) 19, 22, 64

TABLE OF AUTHORITIES (cont'd)

(Page)

TI Group Auto. Sys. (N. Am.), Inc. v. VDO N. Am., L.L.C., 375 F.3d 1126 (Fed. Cir. 2004) 58

Transmatic, Inc. v. Gulton Indus., Inc., 53 F.3d 1270 (Fed. Cir. 1995) .... passim

Va. Panel Corp. v. MAC Panel Co. 133 F.3d 860 (Fed. Cir. 1997) 16

Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576 (Fed. Cir. 1996) 78

Wilson Sporting Goods Co. v. Hillerich & Bradsby Co. 442 F.3d 1322 (Fed. Cir. 2006) .... passim

Statutes

35 U.S.C. § 112 .... passim

Treatises

IEEE Standard Dictionary of Electrical and Electronics Terms, Sixth Ed. (1996) 15

Manual of Patent Examining Procedure 8th Ed. Rev. No. 4, § 2173.05(e) 7, 34

MPEP, § 2173.05(e) 26

Webster's Third New International Dictionary (Unabridged) (1993) .... passim

I. INTRODUCTION

Plaintiff Acacia Media Technologies Corporation ("Acacia") hereby submits its legal memorandum in support of its definitions for the claim terms from the '863 and '720 patents and for the nine claim terms from the '992 patent for which the Round 3 defendants seek reconsideration of the Court's prior constructions.

The claims at issue from the '863 patent are claims 14-19. Claims 14-19 of the '863 patent are asserted against only the Rounds 2 and 3 cable defendants. Claims 17-19 of the '863 patent are only asserted against the Round 2 satellite defendants. No claims from the '863 are asserted against the Internet defendants.

The claims at issue from the '720 patent are claims 4, 6, 7, 8, and 11. The claims of the '720 patent are only asserted against the Round 2 satellite defendants.

Additionally, because the Round 3 cable defendants were not parties to this MDL proceeding when the Court construed claim terms from the '992 and '702 patents in Markman I and Markman II, the Court has permitted the Round 3 defendants to seek reconsideration of terms from these patents which the Court has already construed. The Round 3 defendants seek reconsideration of nine claim terms from the '992 patent which the Court previously construed.

This brief addresses 29 claim terms and one issue (whether the steps of the method claims only being and occur after a prior step or steps has been completed). In preparation of the Joint Chart, filed concurrently herewith, the parties exchanged their proposed constructions for nearly every term of the claims-at-issue in the '863 and '720 patents, including the order of the steps of each method claim. The parties were able to agree on the constructions of 19 claim terms and issues, as set forth in the concurrently-filed stipulation.

As they did before, the defendants have divided themselves into two groups – (1) the Round 2 Defendants[1], and (2) the Round 3 Defendants[2].

---

[1] For the purposes of the issues involving the '863 and '720 patents, the Round 2 Defendants are the Cable and Satellite defendants whom Acacia sued in the first two rounds of complaints. The Round 2 Defendants are: Comcast Cable Communications, LLC; The DIRECTV Group, Inc.; EchoStar Satellite LLC; EchoStar Technologies Corp.; Charter Communications, Inc.; Armstrong Group; Block Communications, Inc.; East Cleveland Cable TV and Communications LLC; Wide Open

As it did with respect to its brief on the additional claim terms from the '992 and '275 patent claims, Acacia has organized this memorandum to follow the claims at issue in consecutive order as they are presented, first in the '863 patent, then in the '720 patent, and then the reconsideration terms of the '992 patent.

II. CLAIM 14 OF THE '863 PATENT

Claim 14 of the '863 patent is an independent method claim:

> 14. A method of distributing audio/video information comprising:
>
> **[1] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location**;
>
> **[5] receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information, at a local distribution system remote from the central processing location**;
>
> **[6] storing the received compressed digitized data representing the complete copy of the at least one item at the local distribution system;**
>
> **[7] in response to the stored compressed, digitized data, transmitting a representation of the at least one item at a real-time rate to [8] at least one of a plurality of subscriber receiving stations coupled to the local distribution system**; and
>
> **[9] decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system to produce the representation of the at least one item for transmission to the at least one subscriber station**;
>
> **[1] wherein the transmitting step comprises**:

West Ohio LLC; Massillon Cable TV, Inc.; Mid-Continent Media, Inc.; US Cable Holdings LP; Savage Communications, Inc.; Sjoberg's Cablevision, Inc.; Loretel Cablevision; Arvig Communications Systems; Cannon Valley Communications, Inc.; NPG Cable, Inc.; Cable One, Inc.; Mediacom Communications Corp.; Bresnan Communications; Cequel III Communications I, LLC (dba Cebridge Connections); Coxcom, Inc.; Hospitality Network, Inc.; and Cable America, Inc. Although Defendants Insight Communications, Inc. and Bresnan Communications were sued in Round 3, they are joining the Round 2 Defendants' proposed constructions. The Round 1 defendants (the Internet defendants) are not participating in this round of claim construction, because Acacia has not asserted either of the '863 or '720 patents against any Internet defendant.

[2] The Round 3 Defendants are two of the cable company defendants whom Acacia sued in New York in the third round of complaints: Time Warner Cable, Inc. and CSC Holdings, Inc.

[2] inputting an item having information into the transmission system;

[3] assigning a unique identification code to the item having information;

[4] formatting the item having information as a sequence of addressable data blocks;

compressing the formatted and sequenced data blocks;

storing, as a file, the compressed, formatted, and sequenced data blocks with the assigned unique identification code; and

sending at least a portion of the file at the non-real time rate to the local distribution system.

1. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" and "Wherein the Transmitting Step Comprises" ('863 Patent, Claim 14; '720 Patent, Claim 8)

Acacia	The phrase "compressed, digitized data representing a complete copy of at least one item of audio/video information" means that the data is a reproduction of at least one entire item of audio/video information in a compressed, digitized data form. The term "central processing location" does not require construction, however, it may be described as the principle position or site where processing occurs. The phrase in claim 14 "wherein the transmitting step comprises" refers to the step of "transmitting compressed, digitized data . . .". The use of the open-ended transitional phrase "comprising" means that the transmitting step includes, but is not limited to, the "inputting. . .," "assigning . . .," "formatting . . .," "compressing . . .," "storing, . . .," and "sending . . ." steps listed thereafter and described below as Term Nos. 2-7.
Round 2 Defendants	**Central Processing Location:** Indefinite. (The Round 2 Defendants contend that "central processing location" is indefinite in each claim in which it is used: Claims 14, 17 of the '863 and Claims 8, 11 of the '720 patents). **"transmitting . . . from a central processing location":** This phrase does not require construction. Representing a complete copy of at least one item of audio/video information: Indefinite.
Round 3 Defendants	"Central Processing Location" means: The single (one and only one) location of the transmission system, at which all of the processing of audio/video information by the transmission system is exclusively performed and from which a plurality of "local distribution systems" directly and exclusively

	receive processed audio/video information. The step of "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non real time rate" to at least one "local distribution system" must be exclusively performed at this single central processing location, as must the following steps: "inputting an item having information into the transmission system;" "assigning a unique identification code to the item having information;" "formatting the item having information as a sequence of addressable data blocks;" "compressing the formatted and sequenced data blocks;" "storing, as a file, the compressed, formatted, and sequenced data blocks with the assigned unique identification code;" and "sending at least a portion of the file at the non-real time rate to the local distribution system." **In addition:** "a complete copy of at least one item of audio/video information" means a copy of all of the audio/video information that is contained on one physical item. "compressed, digitized data" means the compressed and sequenced addressable data blocks. [See construction 29 of "sequence of addressable data blocks" below; see construction 5 of "local distribution system" below]

The phrases "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location" and "wherein the transmitting step comprises" appear in claim 14 of the '863 patent.

a) The Phrase "Representing a Complete Copy of at Least One Item of Audio/Video Information" is Not Indefinite

The Round 2 defendants contend that the phrase "representing a complete copy of at least one item of audio/video information," which appears in Claims 14 and 17 of the '863 patent and in Claims 8 and 11 of the '720 patent, is indefinite. The Round 2 defendants have not yet articulated the reason why they believe that this phrase is indefinite and therefore Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

As with any issued patent, the '863 patent is presumed valid and therefore defendants bear the burden of proving facts critical to a holding of indefiniteness by clear and convincing evidence. *Intel Corp. v. Via Techs., Inc.*, 319 F.3d 1357, 1366 (Fed. Cir. 2003). A claim term is indefinite only if those skilled in the art are unable to understand what is claimed when the claim is read in light of the specification. *Bancorp Servs. L.L.C. v. Hartford Life Ins. Co.*, 359 F.3d 1367, 1372 (Fed. Cir. 2004). If, in light of a fully developed record, the claim is amenable to construction, i.e., it is not insolubly ambiguous, it is not invalid for indefiniteness. *Bancorp*, 359 F.3d at 1372.

One of ordinary skill in the art in 1991 would have understood what is meant by this phrase when reading the claim in light of the specification. *Bancorp*, 359 F.3d at 1372. "Representing" has an ordinary meaning of "presenting by means of something standing in the place of: serve as the counterpart or image of." (*Webster's Third New International Dictionary (Unabridged) (1993) (hereinafter "Webster's"*). (See Block Decl. Ex. A). Thus, one of ordinary skill in the art would have understood "representing" to mean that it is the compressed digitized data which *represents* at least one item of audio/video information, i.e., it is at least one item of audio/video information in a compressed, digitized data form, that is transmitted.

b) The Court Should Not Limit an "Item Having Information" to a Physical Object and Should not Limit the "Complete Copy" to All of the Information That is Contained on One Physical Object

The Round 3 defendants contend that "a complete copy of at least one item of audio video/information" means "a copy of all of the audio/video information that is contained on one physical object." Again, as Acacia discussed with respect to the '992 patent terms, there is no limitation that the "item having information" is a "physical object;" it may be a physical object, or it may be a non-physical object, such as a computer file (which itself resides on a physical object or objects, possibly with other computer files).

The fallacy with the Round 3 defendants' proposed construction is that defendants misconstrue an "item having information" as a "physical object." The term "item having information" does not specify whether the item is or is not a "physical object," the specification does not state that an "item having information" is *only* a physical object and the patentees chose *not* to include such a limitation in the claim that the item having information is limited to physical objects.

Defendants contend that "items having information" is limited only to physical objects, because "items having information," as used in Claim 41 of the '992 patent, are stored in the "source material library." But, as discussed below in Section No. 2, neither claims 14 nor 17 of the '863 patent nor its specification require that the "item having information" be input to a source material library. Further, nothing in the specification even requires that the "items having information," whether or not in the source material library, are limited *only* to physical objects. (*See* '863 patent, 5:63-6:4). If the Court were to limit "items having information" to physical objects, then the Court would be impermissibly importing a limitation from the specification into a claim term "items having information" that does not require such limitation. *See, Resonate, Inc. v. Alteon Websystems, Inc.*, 338 F.3d 1360, 1365 (Fed. Cir. 2003) ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.") Further, nothing in claim 14 requires that the complete copy of at least one item of audio/video information be *all* of the information of an "item having information." *Id.*

The Round 3 defendants' inclusion of the limitation that an "item having information" is limited to a physical object and that all of the information contained on the physical object be the "complete copy" invites the Court to ignore one of the basic principles of patent claim construction which holds that the Court must read the claims in the context of the specification and interpret their meaning consistent with the specification.[3] The Federal Circuit made this point in *Renishaw, PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998):

> Ultimately, the interpretation to be given a term can only be determined and confirmed with a full understanding of what the inventors actually invented and intended to envelop with the claim. *See Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 389, 38 U.S.P.Q.2D (BNA) 1461, 1470, 134

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[3] *See, Medrad, Inc. v. MRI Devices Corp.*, 401 F.3d 1313, 1319 (Fed. Cir. 2005) ("We cannot look at the ordinary meaning of the term … in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history."); *Standard Oil Co. v. American Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985) ("the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Merck & Co. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1371 (Fed. Cir. 2003) ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.")

> L. Ed. 2d 577, 116 S. Ct. 1384 (1996). The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction. See *Young Dental*, 112 F.3d at 1142, 42 U.S.P.Q.2D (BNA) at 1593 (affirming the district court's claim construction as "a more natural reading of the claim language" than the appellant's construction); *cf. Llewellyn*, *supra* note 2, at 401 ("Plainly, to make any canon take hold in a particular instance, the construction contended for must be sold, essentially, by means other than the use of the canon: The good sense of the situation and a simple construction of the available language to achieve that sense, by tenable means, out of the statutory language."). A claim construction is persuasive, not because it follows a certain rule, but because it defines terms in the context of the whole patent.

c) The Meaning of "Central Processing Location"

The term "central processing location" is not used in the patent specification. There is no requirement that each word in a claim be used in the specification. *Manual of Patent Examining Procedure,* 8th Ed. Rev. No. 4, § 2173.05(e) ("MPEP") ("There is no requirement that the words in a claim must match those used in the specification disclosure. Applicants are given a great deal of latitude in how they chose to define their invention so long as the terms and phrases used define the invention with a reasonable degree of clarity and precision."); *See also, Network Commerce, Inc. v. Microsoft Corp.*, 422 F.3d 1353, 1357 (Fed. Cir. 2005) (construing the term "download component" which was not used in the specification by reference to the context of the claims and the teachings in the specification).

The *Wilson Sporting Goods* case is on point. *See, Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.*, 442 F.3d 1322, 1328 (Fed. Cir. 2006). In *Wilson Sporting Goods*, the claim term "annular" appeared in the claims, but was not used in the patent specification. The court held that, because there was no evidence in the claims or the specification that the inventor intended to impart a novel meaning to "annular" and no evidence that "annular" had a peculiar meaning in the field of art, the court could give "annular" its ordinary and customary meaning:

> This court notes that the adjective 'annular' appears only within the claims, not in the patent specification. Nothing in the specification, including the claims, indicates explicitly or implicitly, that the inventor intended to impart a novel meaning to 'annular.' The record also contains no evidence that 'annular' has a peculiar meaning in the field of art encompassed by the '398 patent. This court concludes, therefore, that the ordinary and customary meaning attributed to this term by those of ordinary skill in this art at the time of invention 'involves little more than the application of [its] widely accepted meaning.' *Phillips*, 415 F.3d at 1314.

Wilson Sporting Goods, 442 F.3d at 1328.

Here, as in *Wilson Sporting Goods* and *Network Commerce*, the meaning of "central processing location" would have been easily understood by persons of skill in the art in 1991 from the context of claim 14 and the patent specification. According to the transmitting step of claim 14: (1) the item having information is input to the transmission system; (2) the compressed, digitized data is sent from "a central processing location," and (3) the compressed digitized data is received by a local distribution system that is remote from the central processing location. Figures 1d, 1e, 1f, and 1g of the '863 patent depict examples of systems having a transmission system 100 that is at a location (or locations) that are remote from one or more local distribution systems (depicted as "reception systems" 200 and 200').

A "processing location" would have been understood by persons of ordinary skill in the art in 1991 as a location (already defined by the Court to mean a site or position) where processing occurs. The "transmitting step" of claim 14 of the '863 patent sets forth a number of processing steps, i.e., inputting, assigning, formatting, compressing and storing, which are described in the specification as occurring in a transmission system. The term "central" means that the "central processing location" is the principal processing location.[4] Thus, from claim 14 and the specification, the term "central processing location" would have been understood by persons of ordinary skill in the art to refer to the location at which the transmission system is located, which is the principal location where processing occurs.

(1) "Central Processing Location" is not Indefinite

The Round 2 defendants contend that the phrase "central processing location" is indefinite. Defendants bear the burden of proving indefiniteness but they have not articulated the reasons why they believe this term is indefinite. Acacia therefore reserves the right to address defendants' specific contentions in its reply brief. Defendants may contend that the phrase "central processing location" is indefinite, because it is not used in the patent specification. This fact, however, does not

[4] The term "central" is defined in *Webster's* as "belonging to the center as the most important part: basic, essential, principal, dominant: not peripheral or incidental: cardinally related."

mean that the term "central processing location" is indefinite.

In *Bancorp*, the claim term "surrender value protected investment credits" did not have a definition in an industry publication and was not defined in the patent specification. The similar term "stable value protected investment credits," however, did appear in the claims and in the specification and its meaning was well-understood by persons of ordinary skill in the art. The district court held that the two terms were not synonyms for each other, and therefore held the patent invalid as being indefinite. The Federal Circuit reversed, finding that the meaning of the term "surrender value protected investment credits" could be discerned from the claims and the specification:

> We agree with Bancorp that the meaning of the term "surrender value protected investment credits" is reasonably discernible and that the asserted claims of the '792 patent are therefore not invalid for indefiniteness. It is true that the entire term "surrender value protected investment credits" is not defined in the patent, and Bancorp has not pointed us to any industry publication that defines the term. Nonetheless, the components of the term have well-recognized meanings, which allow the reader to infer the meaning of the entire phrase with reasonable confidence.

Bancorp, 359 F.3d at 1372.[5]

As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "central processing location" when the claims are read in light of the specification, and thus this term is not indefinite, even though this term is not itself used in the specification.

(2) The Court Should Not Add Limitations to the Claim that There is a *Plurality* of "Local Distribution Systems" or that the "Local Distributions" *Directly and Exclusively* Receive Information from the Central Processing Location

The Round 3 defendants contend that the Court should construe the phrase "central processing location" as being the location from which "a ***plurality*** of 'local distribution systems' ***directly and exclusively*** receive processed audio/video information." These limitations are not present in either claim 14 or in the patent specification. The Round 3 defendants are asking the

[5] Additionally, the Court stated that "[t]he failure to define the term is, of course, not fatal, for if the meaning of the term is fairly inferable from the patent, an express definition is not necessary (although of course the inclusion of a definition would have avoided the need for this time-consuming and difficult inquiry in definiteness). *See All Dental Prodx, LLC v. Advantage Dental Prods., Inc.*, 309 F.3d 774, 780 (Fed. Cir. 2002)" *Bancorp*, 359 F.3d at 1373.

Court to re-write the claim.

Claim 14 is not limited to a plurality of local distribution systems. Claim 14 states that the transmitted information is received at "***a*** local distribution system remote from the central processing system," which means "***one or more*** local distribution systems." *See, Free Motion Fitness, Inc. v. Cybex International, Inc.*, 423 F.3d 1343, 1350-1351 (Fed. Cir. 2005) (construing "a linking cable" as "one or more linking cables" and stating that "the claim term "'a' or 'an' in patent parlance carries the meaning of 'one or more' in open-ended claims containing the transitional phrase 'comprising.'"). The patent specification is also not limited to a plurality of "local distribution systems," because the specification discloses and supports "***one*** or more" local distribution system. (*See,* Figures 1d, 1e 1f, and 1g).

Claim 14 is also not limited to local distribution systems which "directly and exclusively" receive audio/video information from the central processing system. The claim merely states that the information is received at the local distribution system from the central processing location. There is no limitation as to how the local distribution system receives the information from the central processing location, i.e., whether it receives the information directly or indirectly from the central processing location or whether it receives the information exclusively from the central processing location or from some other location in addition to the central processing location. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

Further, the use of the transitional phrase "comprising" in claim 14 means that receiving the information at the local distribution system indirectly from the central processing location or receiving information from locations in addition to the central processing location is not precluded. *See, e.g., Gillette Co. v. Energizer Holdings, Inc.,* 405 F.3d 1367, 1371-1372 (Fed. Cir. 2005) ("The word 'comprising' transitioning from the preamble to the body signals that the entire claim is presumptively open-ended."); *Crystal Semiconductor Corp. v. TriTech Microelectronics Int'l, Inc*., 246 F.3d 1336, 1347 (Fed. Cir. 2001) ("The transition 'comprising' creates a presumption that the recited elements are only a part of the device, that the claim does not exclude additional unrecited elements.")

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The Federal Circuit has repeatedly instructed district courts that limitations from the specification are not to be read into the claims. *Comark Communs., Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998). "It is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude.'" *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005), *quoting, Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1115 (Fed. Cir. 2004). Courts only interpret what is meant by the words in the claims; courts do not add extraneous limitations or rework claims:

> Kee-Vet also cites this case [*E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1433 (Fed. Cir. 1988)] but has apparently not taken adequate notice of that section's several times repeated statement to the effect that this court has consistently adhered to the proposition that courts cannot alter what the patentee has chosen to claim as his invention, that limitations appearing in the specification will not be read into claims, and that interpreting what is meant by a word in a claim "is not to be confused with adding an extraneous limitation appearing in the specification, which is improper." The court quoted with approval from *Autogiro Co. of America v. United States*, 181 Ct. Cl. 55, 384 F.2d 391, 395-96, 155 U.S.P.Q. (BNA) 697, 701 (Ct.Cl. 1967), the statement that "No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them." The panel found it necessary in *Du Pont* to reverse the district court's interpretation of claims which read into them properties of a polymer which were not recited in the claims. We have to do the same here.

Intervet America, Inc. v. Kee-Vet Laboratories, Inc., 887 F.2d 1050, 1053 (Fed. Cir. 1989).

In addition, claims cannot be limited to devices operated precisely as the embodiment(s) described in the specification; if so, there would be no need for claims. *See, SRI Int'l. v. Matsushita Elec. Corp. of America*, 775 F.2d 1107, 1121 (Fed. Cir. 1985) (*en banc*) ("'[T]hat claims are interpreted in light of the specification does not mean that everything expressed in the specification must be read into all the claims.' *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 957, 220 U.S.P.Q. 592, 597 (Fed. Cir. 1983). If everything in the specification were required to be read into the claims, or if structural claims were to be limited to devices operated precisely as a specification-described embodiment is operated, there would be no need for claims. Nor could an applicant, regardless of the prior art, claim more broadly than that embodiment."); *Johnson & Johnston Assocs. v. R.E. Serv. Co.*, 285 F.3d 1046, 1052 (Fed. Cir. 2002) (*en banc*) ("Consistent with its scope definition and notice functions, the claim requirement presupposes that a patent applicant defines his invention in the claims, not in the specification. After all, the claims, not the specification, provide the measure of the patentee's right to exclude."); *McCarty v. Lehigh Valley R.R. Co.*, 160 U.S. 110, 116, 40 (U.S. 1895) ("We know of no principle of law which would authorize us to read into a claim an element which is not present, for the purpose of making out a case of novelty or infringement. The difficulty is that if we once begin to include elements not mentioned in the claim in order to limit such claim …, we should never know when to stop.")

In *Resonate*, the claim at issue included the phrase "transmitting the requested resource to the client." *Resonate*, 338 F.3d at 1365. The district court had held that, because every step of the claim-at-issue was described in detail, the "transmitting" step of the claim must include additional detail, not specified in the claim, e.g., that a load balancer is bypassed by the transmitted requested resource. The Federal Circuit reversed, because the disputed claim language – "transmitting the requested resource to the client" – specified nothing regarding the transmission path over which the requested data must be sent. The patentees' choice not to include such detail in the claims means that a court is not permitted to rewrite the claim to add such missing details:

> The district court's 'level of detail' analysis does not withstand close scrutiny. The patentee's apparent choice not to specify a transmission path from the server to the client led the district court to add a limitation that the requested resource be transmitted directly to the client. But patentees are not required to claim each part of an invention with the same amount of detail; indeed, such a rule likely would prove unworkable. Courts may not rewrite claim language based on what has been omitted from a claim, and the district court's attempt to do so here was legal error. *See K-2 Corp. v. Salomon S.A.*, 191 F.3d 1356, 1364 (Fed. Cir. 1999) ("Courts do not rewrite claims; instead, we give effect to the terms chosen by the patentee."); *Autogiro Co. of Am. v. United States*, 181 Ct. Cl. 55, 384 F.2d 391, 396 (Ct. Cl. 1967) ("Courts can neither broaden nor narrow the claims to give the patentee something different than what he has set forth.").

Resonate, 336 F.3d at 1365.

Similarly, in *Hoganas AB v. Dresser Industries, Inc.*, 9 F.3d 948, 950 (Fed. Cir. 1993), the district court interpreted the claim term "straw-shaped" to means "straw-sized." The Federal Circuit reversed, because the "straw-shaped" limitation does not impose any limitation as to size and it was therefore improper for the district court to use the term "straw-shaped" to incorporate a size limitation into the claim:

> It is improper for a court to add "extraneous" limitations to a claim, that is, limitations added "wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim." *E.I. Du Pont de Nemours*

> *& Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1433, 7 USPQ2d 1129, 1131 (Fed. Cir.), cert. denied, 488 U.S. 986, 102 L. Ed. 2d 572, 109 S. Ct. 542 (1988). That appears to be what the district court did, however, by emphasizing the smallness of the fibers. The phrase "straw-shaped" unambiguously relates to shape not size. Thus, it was improper for the court to use that phrase as the vehicle for incorporating a size limitation into the claim.

Hoganas, 9 F.3d at 950.

Accordingly, the Court should not construe the term "central processing location" to include the limitations that there are a plurality of "local distribution systems" or that the local distribution systems directly and/or exclusively receive information from the central processing location, because these limitations are not stated in the claims and are not required to interpret the meaning of term "local distribution system."

2. "Inputting an Item Having Information Into the Transmission System" ('863 Patent, Claim 14 and 17)

Acacia	The phrase "inputting an item having information into the transmission system" means the act of providing an item having information to the transmission system. The term "transmission system" has already been construed by the Court to mean "an assembly of elements, hardware and software, that function together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system." In the context of claims 14 and 17 of the '863 patent, the subsequent transmission is to the local distribution system. The transmission system therefore is the system in which the steps of "inputting," "assigning," "formatting," "compressing," "storing," and "sending" occur.
Round 2 Defendants	The phrase "inputting an item having information into the transmission system" in Claims 14 and 17 of the '863 patents is indefinite.
Round 3 Defendants	Placing a physical object containing audio/video information into the source material library of the transmission system. "The transmission system" must be contained at one, and only one, location. The location of "the transmission system" is the "central processing location." [See construction 22 of "transmission system" below]

The phrase "inputting an item having information into the transmission system" appears in claims 14 and 17 of the '863 patent. It is part of the transmitting step.

a) The Meaning of the Term "Inputting"

The term "inputting" in the phrase "inputting an item having information into the transmission system" should be given its ordinary and customary meaning. Nothing in the specification, including the claims, indicates explicitly or implicitly, that the inventors intended to impart a novel meaning to "inputting." There is also no evidence of which Acacia is aware that "inputting" has a peculiar meaning in the field of art encompassed by the '863 patent. Thus, the term "inputting" should be given its ordinary and customary meaning, which "involves little more than the application of [its] widely accepted meaning." *Wilson Sporting Goods*, 442 F.3d at 1328, *quoting*, *Phillips*, 415 F.3d at 1314.

The term "inputting" is widely understood to mean the act of putting in or providing. *See, e.g.*, *Webster's* ("the act, process, or instance of putting in") (see Block Decl. Ex. 2) and *IEEE Standard Dictionary of Electrical and Electronics Terms*, Sixth Ed. (1996) (hereinafter "*IEEE Dictionary*") ("To provide data from an external source") (see Block Decl. Ex. 11).

b) The Term "Inputting" is not Indefinite

The Round 2 defendants contend that the "inputting" step is indefinite. The Round 2 defendants bear the burden of proving indefiniteness, but they have not yet articulated the reason why they believe that this phrase is indefinite and therefore Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

One of ordinary skill in the art in 1991 would have understood what is meant by this phrase when reading the claim in light of the specification. *Bancorp*, 359 F.3d at 1372. As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "inputting" when the claims are read in light of the specification, and thus this term is not indefinite.

c) The Court Should Not Import the Limitation of a "Source Material Library" From the Specification into Claims 14 and 17

The Round 3 defendants construe the "inputting" step to require that a physical object[6] containing audio/video information be placed into the source material library of the transmission system. There is no limitation in claim 14 that the transmission system includes a source material library and there is no limitation that the item is placed into a source material library. Claim 14 is

[6] As discussed above in Section No. 1.b. and at the last Markman hearing, the Court should not limit the term "item having information" to "physical objects."

silent as to the structural elements of the transmission system and is silent as to where within the transmission system the item is input. The patentees chose to omit these limitations when they drafted the claims. This is consistent with the specification, which states that there is no *requirement* for the transmission system to even have a source material library. (*See, e.g.*, '863 patent, 5:60-62: "A preferred embodiment of transmission system 100 may preferably include only some of the elements shown in FIGS. 2a and 2b.")

The fact that Figure 2a of the '863 patent depicts a source material library in the transmission system does not operate to limit claims 14 and 17 to include a source material library. *Prima Tek II, LLC v. Polypap,* 318 F.3d 1143, 1148-49 (Fed. Cir. 2003) ("Similarly, the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration."), *citing*, *Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc.*, 222 F.3d 951, 956 (Fed. Cir. 2000).

Claim 14 is perfectly understandable to persons skilled in the art without the *limitation* of inputting the item to a source material library. For instance, the item could be input directly to an identification encoder (or to another element(s) capable of assigning a unique identification code; the claim does not specify any specific structure) or to an input receiver of the converter (or to another element(s) capable of formatting; the claim does not specify any specific structure). The item could also be input to a source material library (or another element capable of storage; the claim does not specify). *See, Resonate*, 338 F.3d at 1365; *Hoganas*, 9 F.3d at 950; *Nazomi Communications, Inc. v. ARM Holdings, PLC*, 403 F.3d 1364, 1369 (Fed. Cir. 2005) ("[T]he court may conclude that the scope of the various claims may differ, some embracing different subject matter than is illustrated in the specific embodiments in the specification."), *citing*, *Va. Panel Corp. v. MAC Panel Co.*, 133 F.3d 860, 866 (Fed. Cir. 1997) ("Device claims are not limited to devices which operate precisely as the embodiments described in detail in the patent.")

The point is that there is no limitation or requirement in the claims that the item be input to a source material library, and the Court should not add such a limitation where no such limitation exists in the claims (because the patentees chose to omit such a limitation) or in the specification. This was the holding in *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1327 (Fed. Cir. 2002).

In *Teleflex*, the district court, relying on the patent specification, construed the claim term "clip" to mean "a structure that has a single pair of legs." *Id.*, at 1319. On appeal, Teleflex contended that the court erred by importing limitations from the specification into the claims and contended that the term "clip" should be construed to mean "any device, of any shape, that holds two things together and also performs the functions of being manually insertable into and manually removable from a locked position." *Id.*, at 1324. The Federal Circuit agreed with Teleflex that the district court had erred by importing limitations from the specification:

> In this case, nothing in the intrinsic evidence indicates that "clip (28)" should be limited to "a single pair of legs." The language of asserted claim 1 does not support limiting the claim to a "single pair of legs." Neither "single" nor "pair of legs" appears in claim 1. Neither the specification nor the prosecution history includes an expression of manifest exclusion or restriction demonstrating an intent to limit "clip (28)" to a single pair of legs. The term "clip" is not defined in the specification or in the prosecution history, and although the specification describes only one embodiment of the clip, no "clear statements of scope" limit the term "clip" to having a "single pair of legs." Furthermore, the ordinary meaning of "clip" is not restricted to having a "single pair of legs." The expert witnesses for Ficosa agreed that the ordinary meaning of "clip" is broad enough to encompass the accused Ficosa device in this case.
>
> The district court thus erred by importing the "single pair of legs" limitation from the specification into the claim. Instead of using the specification as context, the district court apparently limited the "clip (28)" recited in claim 1 to the embodiment described in the specification. We have "cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification." See *Comark*, 156 F.3d at 1186, 48 U.S.P.Q.2D (BNA) at 1005 (quoting *Texas Instruments, Inc. v. United States Int'l Trade Comm'n*, 805 F.2d 1558, 1563, 231 U.S.P.Q. 833, 835 (Fed. Cir. 1986)). The specification describes only one embodiment of the claimed "clip (28)," but in the circumstances of this case the record is devoid of "clear statements of scope" limiting the term appearing in claim 1 to having "a single pair of legs." Absent such clear statements of scope, we are constrained to follow the language of the claims, rather than that of the written description. See *SRI*, 775 F.2d at 1121, 227 U.S.P.Q. at 585. To the extent that the district court construed the term "clip" to be limited to the embodiment described in the specification, rather than relying on the language of the claims, we conclude that the district court construed the claim term "clip (28)" too narrowly. We construe the term "clip (28)" in claim 1 to mean a structure that provides the dual functions of disposing the clip around and holding the female member through the slots in the female member and extending through the slots into the groove in the male member to lock the members together.

Teleflex, 299 F.3d at 1327-1328.[7]

[7] *See also, Transmatic, Inc. v. Gulton Indus., Inc.*, 53 F.3d 1270, 1278 (Fed. Cir. 1995) ("[T]he

In this case, claim 14 is broader than the embodiment in the specification, because claim 14 does not state that the transmission system includes a source material library and does not state that the item is input to the source material library of the transmission system. *See, e.g.*, *Resonate,* 338 F.3d at 1364-65 ("[T]he written description is not a substitute for, nor can it be used to rewrite, the chosen claim language. Though understanding the claim language may be aided by the explanations contained in the written description, it is important not to import into a claim limitations that are not a part of the claim. For example, a particular embodiment appearing in the written description may not be read into a claim when the claim language is broader than the embodiment."), *citing*, *Electro Med.*, 34 F.3d 1048.

Further, according to the specification, the source material library exists in the transmission system as part of the *preferred embodiment* of the transmission system:

> FIGS. 2a and 2b are detailed block diagrams of preferred implementations of the transmission system of the present invention.

('863 patent, 3:26-28).

> FIG. 7 is a flowchart of a preferred method of distribution of the present invention.

('863 patent, 3:39-40).

> DESCRIPTION OF THE PREFERRED EMBODIMENTS

('863 patent, 3:46-47).

> FIGS. 2a and 2b illustrate detailed block diagrams of preferred

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district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle. The court also considered significant the apparent different air flow characteristics of the patented and accused devices. Again, this consideration was irrelevant because the claim contains no limitations regarding air flow."); *Prima Tek II,* 318 F.3d at 1149 ("The district court construed the claim language 'floral holding material' to mean 'a three-dimensional solid, semi-solid, or granular material capable of giving support to individual flowers when their stems are inserted into the material,' and required that the flower stems be 'inserted into and through' the floral holding material. For the reasons given below, we conclude this construction was erroneous. Neither the phrase 'inserted into' nor 'inserted through' appears in any of the asserted claims. Instead, all of the claims at issue require that the 'floral holding material' be constructed of 'material capable of receiving a portion of the floral grouping and supporting the floral grouping without any pot means.' '856 patent, col. 8, ll. 19-22. The claim language does not require that the stem end of the flower be inserted into and through the floral holding material.")

> implementations of the transmission system 100 of the present invention.… A preferred embodiment of transmission system 100 may preferably include only some of the elements shown in FIGS. 2a and 2b.

(‘863 patent, 5:55-57; 5:60-62).

> Transmission system 100 of a preferred embodiment of the present invention preferably includes source material library means for temporary storage of items prior to conversion and storage in a compressed data library means.

(‘863 patent, 5:63-66).

> Figure 7 is a flow chart 400 of a preferred method of distribution of the present invention.… As illustrated in FIG. 7, the first step of the distribution method 400 involves retrieving the information for selected items in the source material library 111, upon a request by a user of the distribution system (step 412).

(‘863 patent, 17:62-63; 18:1-4).

> Other embodiments of the invention will be apparent to those skilled in the art from consideration of the specification and practice of the invention disclosed herein. It is intended that specification and examples be considered exemplary only, with the true scope and spirit of the invention being indicated by the following claims.

(‘863 patent, 19:19-25).

The Court therefore cannot construe the “inputting” step of claim 14 to require that the transmission system has a source material library and that the item having information is input to a source material library of the transmission system, because to do so would improperly limit claim 14 to a *preferred embodiment* of the invention. The Federal Circuit has repeatedly made clear that preferred embodiments appearing in a specification will not be read into a claim:

> Claims speak to those skilled in the art. *See Specialty Composites v. Cabot Corp.*, 845 F.2d 981, 986, 6 U.S.P.Q.2D (BNA) 1601, 1604 (Fed. Cir. 1988). When the meaning of words in a claim is in dispute, the specification and prosecution history can provide relevant information about the scope and meaning of the claim. *Id*. at 986, 6 U.S.P.Q.2D (BNA) at 1604. However, claims are not to be interpreted by adding limitations appearing only in the specification. See *Intervet Am. v. Kee-Vet Lab.*, 887 F.2d 1050, 1053, 12 U.S.P.Q.2D (BNA) 1474, 1476 (Fed. Cir. 1989) (“No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them.”) (quoting with approval *Autogiro Co. of Am. v. United States*, 181 Ct. Cl. 55, 384 F.2d 391, 395-96, 155 U.S.P.Q. (BNA) 697, 701 (Ct. Cl. 1967)). Thus, although the specifications may well indicate that certain embodiments are preferred, particular embodiments appearing in a specification will not be read into the claims when the claim language is broader than such embodiments. *See Specialty*, 845 F.2d at 987, 6 U.S.P.Q.2D (BNA) at 1605 (“Where a specification does not require a limitation, that limitation should not be read from the specification into the claims.”).

Electro Medical Sys., S.A. v. Cooper Life Sciences, 34 F.3d 1048, 1054 (Fed. Cir. 1994); *Laitram Corp. v. Cambridge Wire Cloth Co.*, 863 F.2d 855, 865 (Fed. Cir. 1988) ("References to the preferred embodiment, such as those often present in a specification, are not claim limitations."); *Texas Instruments, Inc. v. U.S. International Trade Com.*, 805 F.2d 1558, 1563 (Fed. Cir. 1986) ("This court has cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification."); *Mantech Environmental Corp. v. Hudson Environmental Servs., Inc.*, 152 F.3d 1368, 1374-75 (Fed. Cir. 1998) ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper. . . The district court erred because it, in essence, incorporated from the preferred embodiment into the claims a narrow definition for the claim term 'well,' as 'a structure used for both monitoring and injecting groundwater.' CleanOX, slip op. at 43 (emphasis added). In the context of the written description and the claims, however, it is clear that the term 'well' has a more inclusive meaning than that given by the district court; as used in the patents, a 'well' is a structure connecting the surface to the groundwater that can either monitor or inject, or both, but it need not do both.")

3. "Assigning a Unique Identification Code to the Item Having Information" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "assigning a unique identification code to the retrieved information" has already been construed by the Court in the context of claims 1 and 41 of the '992 patent to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes." In the context of claims 14 and 17 of the '863 patent, the identifier is assigned to the item having information. In the context of claim 14 of the '863 patent, this phrase means that the identifier identifies the information through the formatting, compressing, and storing processes. In the context of claim 17 of the '863 patent, this phrase means that the identifier identifies the information through the formatting and compressing processes.
Round 2 Defendants	In the context of claims 14 and 17 of the '863 patent, the one-of-a-kind identifier is assigned to the item having information. In the context of claim 14 of the '863 patent, this phrase means that the one-

	of-a-kind identifier identifies the item having information through the formatting, compressing, and storing processes. In the context of claim 17 of the '863 patent, this phrase means that the one-of-a-kind identifier identifies the item having information through the formatting and compressing processes.
Round 3 Defendants	"Assigning a unique identification code to the item having information" means "assigning a one-of-a-kind identifier to the item having information that identifies the item." This step must be performed by the identification encoder of the transmission system, and the identification encoder must also transform the information in the items into an analog or digital format. [See construction 32 of "items having information" below]

The phrase "assigning a unique identification code to the item having information" appears in claims 14 and 17 of the '863 patent.

This phrase is similar to the phrase of claim 41 of the '992 patent: "assigning a unique identification code to the retrieved information." Claim 41 of the '992 patent differs from claims 14 and 17 of the '863 patent in that claim 41 includes the steps of storing items having information in a source material library and retrieving information from the items having information. These steps are not present in either claim 14 or 17 of the '863 patent.

In Markman I, the Court construed the phrase "assigning a unique identification code to the retrieved information":

> Accordingly, the Court construed the function "assigning a unique identification code to the retrieved information" to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes."

(Markman I, at 14:14-17).

No party, including the Round 2 defendants, sought reconsideration of the Court's construction of "assigning a unique identification code to the retrieved information" and thus none of the Round 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Court's construction for this phrase is applicable to the similar phrase in claims 14 and 17, except that in the context of claim 14 of the '863 patent, this phrase means that the identifier

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identifies the information through the formatting, compressing, and storing processes. In the context of claim 17 of the '863 patent, this phrase means that the identifier identifies the information through the formatting and compressing processes.

The Round 3 defendants contend that the unique identification code identifies the item and contend that the item is a physical object. The Round 3 defendants' construction is inconsistent with the express language of claims 14 and 17, both of which state that the file, which includes the compressed, formatted, and sequenced data blocks, is stored with the assigned unique identification code, not the item.

(1) The Court Should Not Import the Limitation of an "Identification Encoder" From the Specification into Claims 14 and 17

The Round 3 defendants further contend that the "assigning a unique identification code" step must be performed by the identification encoder of the transmission system. Just like the "inputting" step discussed above, there is no limitation in claims 14 or 17 that the transmission system includes an identification encoder or that the step of assigning the unique identification code is performed by an identification encoder; the patentees chose not to include these limitations in the claim. The Court therefore cannot import the "identification encoder" limitation from the specification into claims 14 and 17. *See*, *Teleflex*, 299 F.3d at 1327-28; *Resonate*, 338 F.3d at 1364-65.

Further, according to the specification, the identification encoder exists in the transmission system as part of the *preferred embodiment* of the transmission system. (*See*, '863 patent, 3:26-28; 3:39-40; 3:46-47; 5:55-57; 5:60-62; 17:62-63; 18:11-15; and 19:19-25). The Court also cannot limit claims 14 and 17 to the preferred embodiment. *See, e.g.*, *Electro-Med*, 34 F.3d at 1054; *Laitram*, 863 F.2d at 865; *Texas Instruments*, 805 F.2d at 1563; *Mantech*, 152 F.3d at 1374-75.

The Round 3 defendants' construction is improper for the additional reason that it seeks to import structure into a method claim step where the patentees chose not to recite any structure. Claims 14 and 17 recite "assigning a unique identification to the item having information." No structure is recited in this method step for performing this method. This is entirely proper and the Court cannot import structure from the specification into these claims for performing this step. The facts here are similar to those in *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1032 (Fed. Cir. 2002). In *Epcon*, the claim-at-issue was a method claim that included a step of "venting." Although the claim did not specify the structure by which the venting step was to be performed, the district court construed the step of "venting" to require that separate valves perform the venting functions. The Federal Circuit reversed on the grounds that the district court had improperly imported a limitation from the specification:

> The method of claim 2 does not mention structure by which the 'venting' is to be performed. Thus, Epcon is correct that the district court improperly imported language from the specification into the claim.

Epcon Gas Sys., 279 F.3d at 1032; *See also, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.")

The Round 3 defendants further contend that the identification encoder "must also transform the information in the items into an analog or digital format." There is no such limitation either in claims 14 or 17 or in the specification of the '863 patent and therefore the Court should not add this limitation to the method steps of claims 14 and 17. *Id.* There is thus no need for the Court to include this limitation, as the phrase at issue relates to the step of "assigning a unique identification code," not to a step of transforming information from the items.

4. "Formatting the Item Having Information as a Sequence of Addressable Data Blocks" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "formatting the item having information as a sequence of addressable data blocks" means the act of converting the format of the information from the item and placing the formatted information into time encoded data blocks.
Round 2 Defendants	The phrase "formatting the item having information as a sequence of addressable data blocks" means converting the format of the item into a sequence of addressable data blocks.

Round 3 Defendants	“Formatting the item having information as a sequence of addressable data blocks” means “operating on the physical object itself to create a sequence of addressable data blocks” [See construction 36 of “sequence of addressable data blocks” below.]

The phrase “formatting the item having information as a sequence of addressable data blocks” appears in claims 14 and 17 of the ’863 patent.

This phrase uses both the terms “formatting” and “sequence of addressable data blocks,” and therefore this step of claims 14 and 17 includes both the steps of formatting and sequencing. This is evident from the fact that the next phrase of claims 14 and 17 refers to the data blocks from the formatting step as being both formatted and sequenced: “compressing the *formatted and sequenced* data blocks.”

The specification identifies “formatting” as converting the format of the information to the predetermined format after the item having information is input to the input receiver in either digital or analog format:

> When the information from identification encoder 112 is digital, the digital signal is input to the digital input receiver 124 where it is converted to a proper voltage. A formatter 125 sets the correct bit rates and encodes into least significant bit (lsb) first pulse code modulated (pcm) data. Formatter 125 includes digital audio formatter 125a and digital video formatter 125b. The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b. *Formatter 125 outputs the data in a predetermined format.*
>
> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes. *Converter 123 preferably forms the digital data bytes into the same format as the output of formatter 125.*

(‘863 patent, 6:62-7:11; emphasis added).

The specification further describes how the formatted information (output from the converter 113) is then placed into a sequence of addressable data blocks, i.e., by time encoding:

> Incoming signals are input and converted in sequence, starting with the first and ending with the last frame of the video data, and starting with the first and ending with the last sample of the audio data. *Time encoding by time encoder 114 is achieved by assigning relative time markers to the audio and video data as it passes from the converter 113 through the time encoder 114 to the precompression processor 115.*

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('863 patent, 8:2-9).

The Round 3 defendants contend that this step requires "operating on the physical object itself to create a sequence of addressable data blocks." The Round 3 defendants ignore the portion of their own definition for "items having information," which requires that the physical object *contain information*. Obviously, the physical object itself (e.g., the plastic tape or disk) is not formatted and sequenced; it is the *information* contained on the tape or disk that is formatted and sequenced. This is what is described and taught in the specification, which the Round 3 defendants also ignore. (*See*, '863 patent, 6:64-7:11). The Round 3 defendants' inclusion of the limitation that the formatting step requires "operating on the physical object itself" invites the Court to commit legal error by giving the claim a construction that is inconsistent with the specification, when a construction that is consistent with the specification is available. *Renishaw*,158 F.3d at 1250 (Fed. Cir. 1998); *Medrad*, 401 F.3d at 1319; *Standard Oil Co.*, 774 F.2d at 452; *Merck*, 347 F.3d at 1371.

5. "Receiving the Transmitted Compressed, Digitized Data Representing a Complete Copy of the at Least One Item of Audio/Video Information, at a Local Distribution System, Remote From the Central Processing Location" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information, at a local distribution system, remote from the central processing location" means the act of receiving the reproduction of at least one entire item of audio/video information in a compressed, digitized data form at a local distribution system. The local distribution system is an assembly of elements, hardware and software, that function together to receive transmitted data, store the data, decompress the data, and transmit the data to at least one subscriber receiving station.
Round 2 Defendants	The term "representing" is indefinite. **Local Distribution System:** Satellite Defendants:[8]

[8] Defendants EchoStar Satellite LLC, EchoStar Technologies Corporation, and The DIRECTV Group, Inc. contend that "local distribution system" should be construed according to the above proposed construction. The other Round 1 & 2 Defendants contend that the phrase is indefinite.

	An assembly of elements, hardware and software, at a local geographic region (such as a town or city), functioning together to receive, store, decompress, and transmit audio and video information to subscriber receiving stations[9] confined to that same local geographic region. Round 1 & 2 Cable Defendants: Indefinite
Round 3 Defendants	The Round 3 defendants agree with Acacia's construction of "local distribution system" as "an assembly of elements, hardware and software, that function together to receive transmitted data, store the data, decompress the data, and transmit the data to at least one subscriber receiving station."

The phrase "receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information, at a local distribution system, remote from the central processing location" appears in claims 14 and 17 of the '863 patent.

a) The Meaning of "Local Distribution System"

This phrase states that the "compressed, digitized data representing a complete copy of the at least one item of audio/video information" that was transmitted is received "at a local distribution system."

The term "local distribution system" is not used in the specification, however, its meaning would have been understood by persons of ordinary skill in the art in 1991 from the context of the claims and specification and the ordinary meaning of its constituent terms. *See*, MPEP, § 2173.05(e) ('There is no requirement that the words in a claim must match those used in the specification disclosure."); *Network Commerce*, 422 F.3d at 1357 (construing the term "download component" which was not used in the specification by reference to the context of the claims and the teachings in the specification); *Wilson Sporting Goods*, 442 F.3d at 1328 (construing the claim term "annular," which appeared in the claims, but was not used in the patent specification, to have its ordinary meaning.)

From the context of the claim, it is apparent that the functions of the "local distribution

[9] Defendants contend that the phrase "subscriber receiving stations" is otherwise indefinite.

system" are to: (1) receive information sent from the central processing location; (2) store the received information; (3) decompress the compressed, digitized data; and (3) transmit a representation of the stored information to at least one of a plurality of subscriber receiving stations. Such systems are depicted and described in the specification of the '863 patent at 4:13-5:29; 17:18-61; Figures 1d-1g and 6.

The Court has already construed the phrases transmission system and receiving system. In construing each, the Court gave the terms the meaning of "an assembly of elements, hardware and software, that function together" to perform functions described in the pertinent claim language. (*See*, Markman I, at 28:11-13 and 28:21-22).

The same is true for the "local distribution system," which in the context of claim 14 is "an assembly of elements, hardware and software, that function together to receive transmitted data, store the data, decompress the data, and transmit the data to at least one subscriber receiving station."

(1) The "Local Distribution System" Does Not Include Any Limitations Regarding "Local Geographic Regions"

The Round 2 Satellite defendants agree in most part with Acacia's construction for "Local Distribution System," except that they seek to include the limitations that: (1) the local distribution system is located at a local geographic region (such as a town or city), and (2) that the local distribution system only transmits information to subscriber receiving stations confined to that same local geographic region.

Nothing in claims 14 or 17 indicate that these claims are limited to local distribution systems that transmit to only subscriber receiving stations in a defined geographic region, such as a town or city. Such a limitation would be inconsistent with the specification, which specifically *includes* satellite broadcasting (to broad geographic regions, not limited to specific towns or cities) as one of the possible communication channels for transmitting compressed, digitized information. (*See*, '863 patent, Abstract, 4:59-61; 15:29-33; 16:17-23; Figure 1g). Claims 14 and 17 are silent as to any particular communication channel, and therefore claims 14 and 17 include satellite broadcasting.[10]

As nothing in claims 14 and 17 exclude satellite broadcasting and nothing limits the "local distribution system" to transmit to only defined geographic locations, the Court cannot impose this limitation on claims 14 and 17. *See, e.g., Transmatic, Inc. v. Gulton Indus.*, 53 F.3d 1270, 1278 ("[T]he district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."); *Prima Tek II*, 318 F.3d at 1149 ("Neither the phrase 'inserted into' nor 'inserted through' appears in any of the asserted claims.")

(2) The Term "Local Distribution System" is Not Indefinite

The Round 2 Cable defendants contend that the phrase "local distribution system" is indefinite. Defendants bear the burden of proving indefiniteness, but have not articulated the reasons why they contend that the term is indefinite. Acacia therefore reserves the right to address defendants' specific contentions in its reply brief.

Defendants may contend that the phrase "local distribution system" is indefinite because it is not used in the patent specification. This fact, however, does not mean that the term "local distribution system" is indefinite. *See, Bancorp*, 359 F.3d at 1372 (holding that claim term "surrender value protected investment credit," which was not defined in industry publications or in the patent specification was not indefinite, because "the components of the term have well-recognized meanings, which allow the reader to infer the meaning of the entire phrase with reasonable confidence.")

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[10] No defendant contends that claims 14 or 17 exclude satellite broadcasts, because none could make such a contention. These claims do not recite any particular communication channel, and the absence of a recitation in the claim of a communication channel means that any communication channel (consistent with the support in the specification) is covered by these claims. *See, e.g., Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.")

As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "local distribution system" when the claims are read in light of the specification, and thus this term is not indefinite, even though this term is not itself used in the specification.

6. "Storing the Received Compressed Digitized Data Representing the Complete Copy of the at Least One Item at the Local Distribution System" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "storing the received compressed digitized data representing the complete copy of the at least one item at the local distribution system" means "storing a copy such that all of the received data is in storage at the same time."
Round 2 Defendants	The phrase "storing . . . the complete copy of the at least one item" means "storing a copy such that all of the received data is in storage at the same time."
Round 3 Defendants	All of the received compressed, sequenced addressable data blocks representing the complete copy of the at least one item is in the same storage device in the local distribution system at the same time. [See construction 29 of "sequence of addressable data blocks" below.]

This phrase states that the "compressed, digitized data representing a complete copy of the at least one item of audio/video information" is stored at the location distribution system. Storing received information at local distribution system before it is transmitted to subscribers is described and depicted in the specification. ('863 patent, 4:36-42; 4:62-5:7; 5:19-29; Figures 1f and 6).

Acacia and the Round 2 defendants agree on the construction of this phrase. There is substantial agreement with the Round 3 defendants, except that the Round 3 defendants add a limitation that the complete copy is stored "in the same storage device" in the local distribution system. The limitations of a "storage device" and of storing the complete copy "in the same storage device" are not in the claim and are not in the specification. The Court should not add these limitations. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950; *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper."); *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

7. "In Response to the Stored Compressed, Digitized Data, Transmitting a Representation of the at Least One Item at a Real-Time Rate" ('863 Patent, Claim 14, '720 Patent, Claim 8)

Acacia	The phrase "transmitting a representation of the at least one item" means the act of transmitting a reproduction of the item. In the context of claim 14 of the '863 patent, the "representation of the at least one item" means that the reproduction of the item is in a decompressed format. The phrase "in response to the stored compressed, digitized data" means that the representation of the item is transmitted after the compressed, digitized data has been stored at the local distribution system.
Round 2 Defendants	The phrase "in response to the stored compressed, digitized data" means that information in the stored, compressed digitized data triggers the transmission. **Representation:** Indefinite. (The Round 2 Defendants contend that "representation" is indefinite in each claim in which it is used: Claims 14 and 17 of the '863 and Claims 4, 8, and 11 of the '720 patents).
Round 3 Defendants	Information in the "stored compressed, digitized data" triggers the local distribution system to send "a representation of the at least one item at a real-time rate to at least one of a plurality of subscriber receiving stations." [See construction 1 of "non-real time rate" above]

The phrase "in response to the stored compressed, digitized data, transmitting a representation of the at least one item at a real time rate. . ." appears in claim 14 of the '863 patent.

a) The Meaning of "Transmitting a Representation of the at Least One Item"

The phrase-at-issue includes the phrase "transmitting a representation of the at least one item." As discussed above in Section No. 1.b., the compressed, digitized data that is transmitted represents the item having information when it was input to the transmission system, i.e., it is a reproduction of the item having information in a compressed, digitized data form.

Claim 14 adds additional context and understanding to the meaning of "a representation of the at least one item." The next step of the claim states: "decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system *to produce the representation of the at least one item* for transmission to the at least one subscriber station."

Thus, the representation that is described in this phrase of claim 14 as being "a representation of the at least one item" was produced from the compressed, digitized data that was received at the local distribution system by decompressing the compressed, digitized data.

(1) The Term "Representation" is Not Indefinite

The Round 2 defendants contend that the term "representation" is indefinite. The Round 3 defendants do not offer a separate construction for "representation."

Although they bear the burden of proof, the Round 2 defendants have not yet articulated the reason why they believe that the term "representation" is indefinite. Acacia therefore reserves the right to respond to defendants' specific contentions in its reply brief. One of ordinary skill in the art in 1991 would have understood what is meant by the term "representation" when reading the claim in light of the specification. *Bancorp,* 359 F.3d at 1372. "Representation" has an ordinary meaning of "reproduction."[11] Claim 14 itself informs persons of ordinary skill in the art that the representation of the at least one item for transmission to the at least one subscriber station is formed in the step of decompressing the compressed, digitized data representing the at least one item of audio/video information. Further, the specification supports and describes how methods, such as that of claim 14 wherein the compressed, digitized data is decompressed at a distribution system (referred to and depicted as a "reception system" in the specification):

> The transmission and receiving system shown in FIG. 1g may preferably transmit either compressed or *uncompressed* data, depending on the requirements and existing equipment of the user. The airwave transmission and receiving system shown in FIG. 1g may preferably employ either VHF, UHF or satellite broadcasting systems.
>
> With respect to the transmission and receiving systems set forth in FIGS. 1a-1g, the requested material may be fully compressed and encoded, partly decompressed at some stage in transmission system 100, or fully decompressed prior to transmission. The reception systems 200 may either buffer the requested material for later viewing, or *decompress in real time the requested material as it is distributed by transmission system 100*. Alternatively, the reception systems 200 of the present invention may perform a combination of buffering and non-buffering by buffering some of the requested material and *decompressing the remainder of the requested material for immediate viewing as it is distributed by transmission system 100*.

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[11] *Webster's* defines "representation" to mean "a likeness, picture, model, or other reproduction."

('863 patent, 4:56-5:7; emphasis added)

b) The Meaning of "In Response to the Stored Compressed, Digitized Data, Transmitting. . ."

The phrase-at-issue further states that the transmission of the representation of the at least one item occurs "in response to the stored compressed, digitized data." This phrase means that the representation of the at least one item is transmitted *after* the complete copy of the compressed, digitized data has been received by and stored at the local distribution system.

The specification of the '863 patent states that in systems such as those being claimed in claims 14 and 17, i.e., those having a storage device in a local distribution system (depicted in Figures 1d-1g), the information may either be: (1) buffered such that the user receives the requested material at a delayed time, (2) decompressed in real time as the information is being transmitted and received in the local distribution system, or (3) partially buffered so that some of the information is buffered, while the remainder of the information is decompressed for immediate viewing:

> With respect to the transmission and receiving systems set forth in FIGS. 1a-1g, the requested material may be fully compressed and encoded, partly decompressed at some stage in transmission system 100, or fully decompressed prior to transmission. The reception systems 200 may either buffer the requested material for later viewing, or decompress in real time the requested material as it is distributed by transmission system 100. Alternatively, the reception systems 200 of the present invention may perform a combination of buffering and non-buffering by buffering some of the requested material and decompressing the remainder of the requested material for immediate viewing as it is distributed by transmission system 100.

('863 patent, 4:56-5:7; emphasis added).

Claim 14 states that a complete copy of the received compressed digitized data is stored at the local distribution system and states that, in response to the stored compressed, digitized data, the representation of the item (in its decompressed form) is transmitted. Thus, the claim is describing only the "buffered" embodiment of the specification (No. 1, above). The phrase "in response to the stored compressed, digitized data" is therefore expressing that all of the compressed, digitized data is stored at the local receiving system before it is transmitted to at least one of the subscriber receiving stations. It is also expressing that the two other embodiments – decompressing in real time without any buffering and partially buffering and decompressing the remainder of the information – are not covered by this claim.

Thus, consistent with the description of the "buffering" embodiment in the specification, the stored compressed, digitized data is transmitted to users only *after* all of the received compressed, digitized data representing a complete copy of the at least one item has been received and stored in its entirety at the local distribution system. *See, Renishaw*, 158 F.3d at 1250 ("The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction."); *Medrad,* 401 F.3d at1319 ("We cannot look at the ordinary meaning of the term … in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history."); *Standard Oil*, 774 F.2d at 452 ("the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Merck*, 347 F.3d at 1371 ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.")

Both groups of defendants contend that the phrase "in response to" means that the information in the stored, compressed, digitized data "triggers" the transmission of the stored data from the local distribution system to the subscriber stations. Nothing in the claim or the specification indicates that "in response to" means "triggers". Defendants' construction is also inconsistent with the ordinary meaning of the term "response." *Webster's* defines "response" as "an act or action of responding (as by an answer): a responsive or corresponding act or feeling: a responding to a motive force or situation: REACTION." (See Block Decl. Ex. 3). "Triggers" is not one of the meanings of "response."

8. "At Least One of a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 14)

Acacia	The term "subscriber receiving station" means "a subscriber's assembly of elements, hardware and software, capable of functioning together to receive a representation of an item of audio/video information" The term "coupled to" has already been construed by the Court to mean that two elements are directly attached to one another such that using a diskette to transfer information from one to another would mean that the two elements

	are not "coupled to" one another.
Round 2 Defendants	**"Subscriber Receiving Stations":** Indefinite. (The Round 2 Defendants contend that "subscriber receiving station" is indefinite in each claim in which it is used: Claims 14 and 17 of the '863 patent).
Round 3 Defendants	A "subscriber receiving station" is a subscriber device on which playback can occur - a device which itself can display video content or play audio content directly to a user, such as a television or radio. The Court has previously construed "coupled to" to mean "directly connected to or attached to." One example the Court gave as evidencing that two elements are not "coupled to" each other is the need to use a disk to transfer information from one to the other. [See, Markman I at 22-23.]

The phrase "at least one of a plurality of subscriber receiving stations coupled to the local distribution system" appears in claim 14 of the '863 patent.

Claim 14 states that the representation of the at least one item that is transmitted from the local distribution system is transmitted to "at least one subscriber receiving station." Although the term "subscriber receiving station" is not used in the patent specification, its meaning would have been easily understood to one of ordinary skill in the art in 1991 from the context of the claim when read in light of the specification. *See,* MPEP, § 2173.05(e) ('There is no requirement that the words in a claim must match those used in the specification disclosure."); *Network Commerce,* 422 F.3d at 1357 (construing the term "download component" which was not used in the specification by reference to the context of the claims and the teachings in the specification); *Wilson Sporting Goods*, 442 F.3d at 1328 (construing the claim term "annular," which appeared in the claims, but was not used in the patent specification, to have its ordinary meaning.)

The term "station" has an ordinary meaning of "a complete assemblage of radio or television equipment including antenna, transmitting or receiving set, and signal making or reproducing device." *Webster's*. (See Block Decl. Ex. 4). In the context of the phrase "subscriber receiving station," the term "station" refers to the receiving set and reproducing device. The specification describes a system, depicted in Figure 6 and described at 17:18-61, which includes the equipment described as part of a "station," e.g., an antenna (inherent in the description of the system as using common communication channels such as cable television, broadcast television, or broadcast satellite and explicitly described as modems and data couplers at 16:12-16), a receiving set (the transceiver 201), and the signal reproducing device (the receiver format converter 202, the data formatter 204, the decompressors 208, 209, the converters 206, 211-214, and the playback device (such as the television or the audio amplifier)). Thus, consistent with the specification, the ordinary meaning of "station," and the Court's prior construction for "reception system," the "subscriber receiving station" is "an assembly of elements, hardware and software, capable of functioning together to receive a representation of an item of audio/video information."

The Round 3 defendants contend that the subscriber receiving station is "a device on which playback can occur." It appears from the Round 3 defendants that they want the Court to limit the "subscriber receiving stations" to a single device, i.e., it cannot be a set-top box and a separate television, because, as defendants may argue, this is actually two devices. There is nothing in the claims or the specification[12] that limits the "subscriber receiving stations" to a single device and the Court should not add such limitations. *See*, *Transmatic*, 53 F.3d at 1278 ("[T]he district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."; *Prima Tek II*, 318 F.3d at 1149 ("For the reasons given below, we conclude this construction was erroneous. Neither the phrase "inserted into" nor "inserted through" appears in any of the asserted claims. Instead, all of the claims at issue require that the "floral holding material" be constructed of "material capable of receiving a portion of the floral grouping and supporting the floral grouping without any pot means.")

Here, the specification depicts and describes systems having user receiving stations. ('863 patent, 4:13-5:29; 17:19-61; Figure 1d-1g and 6). The Court has already construed the similar term "reception system" to mean "an assembly of elements, hardware and software, capable of

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[12] The specification actually describes two possible devices, the reception system 200 and the playback device. ('863 patent, 17:53-54: "The real time output signals are output [from the reception system] to a playback system such as a TV or audio amplifier.")

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functioning together to receive item of information." (Markman I, 28:21-22). No party, including the Round 2 defendants, sought reconsideration of the Court's construction of "reception system" and thus none of the Round 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "reception system."

The term "receiving station" is used in claims 14 and 17 in a similar manner to "reception system" in the claims of the '702 patent. Thus, the term "receiving station" would be understood to have a similar meaning, i.e., in the context of claims 14 and 17, the "receiving station" is "an assembly of elements, hardware and software, capable of functioning together to receive a representation of an item."

(1) The Term "Subscriber Receiving Station" is Not Indefinite

The Round 2 Cable defendants contend that the phrase "subscriber receiving station" is indefinite. Although they bear the burden of proof on indefiniteness, the Round 2 defendants have not yet articulated the reason why they believe that this phrase is indefinite and therefore Acacia reserves the right to address the Round 2 defendants' specific contentions in Acacia's reply brief.

Acacia presumes that the Round 2 Cable defendants base their indefiniteness arguments on the fact that the phrase "subscriber receiving station" is not used in the patent specification. This fact, however, does not mean that the term "subscriber receiving station" is indefinite. *See*, *Bancorp*, 359 F.3d at 1372 (holding that claim term "surrender value protected investment credit," which was not defined in industry publications or in the patent specification was not indefinite, because "the components of the term have well-recognized meanings, which allow the reader to infer the meaning of the entire phrase with reasonable confidence.")

As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "subscriber receiving station" when the claims are read in light of the specification, and thus this term is not indefinite, even though this term is not itself used in the specification.

9. "Decompressing the Compressed, Digitized Data Representing the at Least One Item of Audio/Video Information After the Transmission Step Wherein the Decompressing Step is Performed in the Local Distribution System to Produce the Representation of the at Least One Item For Transmission To The At Least One Subscriber Station" ('863 Patent, Claim 14)

Acacia	The phrase "decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system to produce the representation of the at least one item for transmission to the at least one subscriber station" does not require construction, however, it may be described as the act of expanding compressed data. It is the stored compressed, digitized data that was received and stored by the local distribution system that is decompressed.
Round 2 Defendants	Indefinite.
Round 3 Defendants	The "compressed, digitized data" is decompressed in the local distribution system to produce the "representation" which is then sent to "the at least one subscriber station" in uncompressed digital form.

The phrase "decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system to produce the representation of the at least one item for transmission to the at least one subscriber station" appears in claim 14 of the '863 patent.

The only dispute between the Round 3 defendants and Acacia with respect to this phrase appears to be the fact that the Round 3 defendants' construction limits the representation of the at least one item, which was decompressed, to *digital* decompressed data. There is nothing in claim 14 that states that the decompressed data that is sent to the subscriber receiving station is in only a digital form. The claim is silent as to whether the data is digital or analog, and therefore the Court should not limit the claim to only digital data, while excluding analog data from the claim. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas,* 9 F.3d at 950; *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper."); *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

Transmitting analog information is supported in the specification. Figures 1d-1g depict

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systems, such as those claimed in claim 14, having a local distribution system, referred to as a reception system 200 and describes an embodiment wherein the information is transmitted using VHF or UHF broadcasting systems. (‘863 patent, 59-61). Persons of ordinary skill in the art would have understood VHF and UHF broadcasts to have utilized analog signals. The reception system 200 is depicted in Figure 6 as outputting (for transmission to the subscriber receiving stations) analog video and audio. (*See also*, ‘863 patent, 17:49-51).

Thus, the meaning of this phrase cannot be limited to digital signals, but may include analog signals. *Mantech*, 152 F.3d at 1374 (“If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.”)

The Round 2 defendants contend that the “decompressing” step is indefinite, but have not articulated the reason why they believe that this phrase is indefinite. Acacia reserves the right to address the Round 3 defendants’ specific contentions in Acacia’s reply brief.

III. CLAIM 15 OF THE ‘863 PATENT

Claim 15 of the ‘863 patent is dependant from claim 14:

> 15. A method as recited in claim 14, **[10] wherein the inputting step comprises inputting the item having information as blocks of digital data**.

10. “Wherein the Inputting Step Comprises Inputting the Item Having Information as Blocks of Digital Data” (‘863 Patent, Claims 15, 18)

Acacia	The phrase “wherein the inputting step comprises inputting the item having information as blocks of digital data” means that the item having information that is input into the transmission system includes, but is not limited to, blocks of digital data.
Round 2 Defendants	Indefinite.
Round 3 Defendants	Indefinite.

The phrase “wherein the inputting step comprises inputting items having information as blocks of digital data” appears in claims 15 and 18 of the ‘863 patent. Claim 15 depends from independent claim 14 and claim 18 depends from independent claim 17. This phrase from claims 15 and 18 refers to the steps of claims 14 and 17 of: "inputting an item having information into the transmission system," which Acacia discusses above in Section No. 2. Claims 15 and 18 merely add the limitation that the "item having information" that is input to the transmission system comprises blocks of digital data.

The specification supports inputting the items having information to the transmission system as blocks of digital data. For example, the specification describes the items having information as including analog and digital information (persons of ordinary skill in the art in 1991 would have understood "digital information" to include digital information in the form of blocks of digital data):

> The items of information may include analog and digital audio and video information as well as physical objects such as books and records which require conversion to a compatible media type before converting, compressing and storing their audio and video data in the compressed data library means.

('863 patent, 5:66-6:4).

The specification also describes the items which are stored in the source material library and input to converter 113 as being in either analog or digital form (persons of ordinary skill in the art in 1991 would have understood "digital form" to include digital information in the form of blocks of digital data):

> The items stored in source material library 111 and encoded by identification encoder 112 may be in either analog or digital form. Converter 113 therefore includes analog input receiver 127 and digital input receiver 124. If items have only one format, only one type of input receiver 124 or 127 is necessary.

('863 patent, 6:56-61).

The Round 3 defendants contend that claims 15 and 18 are indefinite, but have not articulated the grounds for such contention. This contention is not supported by the facts, because, as demonstrated above, claims 15 and 18 are supported by the specification and would have been understood by persons of ordinary skill in the art in 1991 when the claims are read in light of the specification. *See. Bancorp*, 359 F.3d at 1372. Acacia reserves the right to address defendants' specific contentions in its reply brief.

IV. CLAIM 16 OF THE '863 PATENT

Claim 16 of the '863 patent is dependant from claim 14:

> 16. A method as recited in claim 14, **[11] wherein the inputting**

step comprises: inputting the item having information as an analog signal; and converting the analog signal to blocks of digital data.

11. "Wherein the Inputting Step Comprises Inputting the Item Having Information as an Analog Signal and Converting the Analog Signal to Blocks of Digital Data" ('863 Patent, Claims 16 and 19)

Acacia	The phrase "wherein the inputting step comprises inputting the item having information as an analog signal and converting the analog signal to blocks of digital data" means that the item having information that is input into the transmission system includes, but is not limited to, an analog signal. Claims 16 and 19 add the step, to claims 14 and 17, respectively, that the analog signal is converted to blocks of digital data.
Round 2 Defendants	Indefinite.
Round 3 Defendants	Indefinite.

The phrase "wherein the inputting step comprises inputting the item having information as an analog signal and converting the analog signal to blocks of digital data" appears in claims 16 and 19 of the '863 patent. Claim 16 depends from independent claim 14 and claim 19 depends from independent claim 17. This phrase from claims 16 and 19 refers to the steps of claims 14 and 17 of: "inputting an item having information into the transmission system," which Acacia discusses above in Section No. 2. Claims 16 and 19 merely add the limitation that the "item having information" that is input to the transmission system comprises an analog signal and the step of converting the analog signal to blocks of digital data.

The specification supports inputting the items having information to the transmission system as an analog signal. For example, the specification describes the items having information as including analog and digital information (persons of ordinary skill in the art in 1991 would have understood "analog information" to include analog information in the form of an analog signal):

> The items of information may include analog and digital audio and video information as well as physical objects such as books and records which require conversion to a compatible media type before converting, compressing and storing their audio and video data in the compressed data library means.

('863 patent, 5:66-6:4).

The specification also describes the items which are stored in the source material library and input to converter 113 as being in either analog or digital form (persons of ordinary skill in the art in 1991 would have understood "analog form" to include analog information in the form of an analog signal):

> The items stored in source material library 111 and encoded by identification encoder 112 may be in either analog or digital form. Converter 113 therefore includes analog input receiver 127 and digital input receiver 124. If items have only one format, only one type of input receiver 124 or 127 is necessary.

('863 patent, 6:56-61).

The specification further states that the analog signal is converted to a "series of digital data bytes:"[13]

> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes.

('863 patent, 7:6-9).

The Round 3 defendants contend that claims 16 and 19 are indefinite, but have not articulated the grounds for such contention. This contention is not supported by the facts, because, as demonstrated above, claims 15 and 18 are supported by the specification and would have been understood by persons of ordinary skill in the art in 1991 when the claims are read in light of the specification. *See. Bancorp*, 359 F.3d at 1372. Acacia reserves the right to address defendants' specific contentions in its reply brief.

V. CLAIM 17 OF THE '863 PATENT

Claim 17 of the '863 patent is an independent method claim:

> 17. A method of distributing audio/video information comprising:
>
> **[12] formatting items of audio/video information as compressed digitized data at a central processing location;**
>
> **[13] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information from the central processing location;**
>
> **[5] receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video**

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[13] As further described in the specification, a series of digital data bytes are digital data blocks. (*See*, '863 patent, 7:65-8:2; 18:53-66, Figure 8).

information, at a local distribution system;

[6] storing the received compressed, digitized data representing the complete copy of the at least one item at a local distribution system; and

[14] using the stored compressed, digitized data to transmit a representation of the at least one item to at a plurality of subscriber receiving stations coupled to the local distribution system;

[12] wherein the formatting step comprises:

[2] inputting an item having information into the transmission system;

[3] assigning a unique identification code to the item having information;

[4] formatting the item having information as a sequence of addressable data blocks; and

compressing the formatted and sequenced data blocks.

12. "Formatting Items of Audio/Video Information as Compressed Digitized Data at a Central Processing Location" and "Wherein the Formatting Step Comprises" ('863 Patent, Claim 17)

Acacia	The term "central processing location" does not require construction; however, it may be described as the principle position or site where processing occurs. The phrase "wherein the formatting step comprises" refers to the step of "formatting items of audio/video information. . ." The use of the open-ended transitional phrase "comprising" means that the formatting step includes, but is not limited to, the "inputting. . .," "assigning . . .," "formatting . . .,"and "compressing . . ." steps listed thereafter and described above as Term Nos. 2-5.
ROUND 2 DEFENDANTS	**Central Processing Location:** Indefinite. (The Round 2 Defendants contend that "central processing location" is indefinite in each claim in which it is used: Claims 14, 17 of the '863 and Claims 8, 11 of the '720 patents).
ROUND 3 DEFENDANTS	"Central Processing Location" means: The single (one and only one) location of the transmission system, at which all of the processing of audio/video information by the transmission system is exclusively performed and from which a plurality of "local distribution systems" directly and exclusively receive processed audio/video information. The step of "formatting items of audio/video information as compressed digitized data" must be exclusively performed at this single central

	processing location, as must the following steps: "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information" to the "local distribution system"; "inputting an item having information into the transmission system"; "assigning a unique identification code to the item having information"; "formatting the item having information as a sequence of addressable data blocks;" and "compressing the formatted and sequenced data blocks." **In addition:** "compressed, digitized data" means the compressed, sequence of addressable data blocks [defined below]. The audio/video information from the item is examined to determine if it is in analog or digital form. If the audio/video information in the item is in analog form, it is converted into digital form and then compressed. If the audio/video information in the item is already in digital form, then it is compressed. The "digitization" of analog information occurs before the "sequence of addressable data blocks" are created, but after the step of "inputting an item having information into the transmission system." [See construction 5 of "local distribution system" above]

The phrase "formatting items of audio/video information as compressed digitized data at a central processing location" appears in claim 17 of the '863 patent.

a) There is No Limitation That the Information is Examined.

The Round 3 defendants contend that: "[t]he audio /video information from the item is examined to determine if it is in analog or digital form. If the audio/video information in the item is in analog form, it is converted into digital form and then compressed. If the audio/video information in the item is already in digital form, then it is compressed. The 'digitization' of analog information occurs before the 'sequence of addressable data blocks' are created, but after the step of 'inputting an item having information into the transmission system."

None of these limitations are stated in the claim and no such limitation is required in order for the Court to interpret this phrase. The claimed method applies equally to methods in which only analog information is input, methods in which only digital information is input, and methods in which both analog and digital information is input. Thus, the Court should not add a limitation through claim construction that the information must be examined to determine whether it is in analog or digital form, as this would assume that the method only applies to those in which both analog and digital information are input. *See, Intervet*, 887 F.2d at 1053 ("No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them."); *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases."); *Transmatic*, 53 F.3d at 1278 ("[T]he district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."); *Prima Tek II*, 318 F.3d at 1149 ("For the reasons given below, we conclude this construction was erroneous. Neither the phrase "inserted into" nor "inserted through" appears in any of the asserted claims.")

13. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" ('863 Patent, Claim 17)

Acacia	The term "compressed, digitized data representing a complete copy of at least one item of audio/video information" means that the data is a reproduction of at least one entire item of audio/video information in a compressed, digitized data form.
Round 2 Defendants	Indefinite.
Round 3 Defendants	Sending the compressed, sequence of addressable data blocks representing a copy of all of the audio visual information of the at least one physical object from the transmission system at the central processing location [See construction 29 for "sequence of addressable data blocks" below; see construction 12 for "central processing location" above]

The phrase "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location" appears in claim 17 of the '863 patent.

The Round 3 defendants contend that the "audio visual information of the at least one *physical object*" is sent. As discussed above in Section No. 1.b and below in Section No. 25, the term "item having information" is not limited to physical objects and the claim is not limited such that only all of the information on a physical object is sent. *See*, *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

The Round 2 defendants contend, without explanation, that this phrase is indefinite. Again, defendants bear the burden of proving indefiniteness, but they have not articulated why they believe that this phrase is indefinite. Presumably, defendants are referring to the use of the term "representing," which the Round 2 defendants contend to be indefinite. Acacia has addressed the term "representing" in Section No. 8 above. Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

14. "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item to at a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 17)

Acacia	The phrase "using the stored compressed, digitized data to transmit a representation of the at least one item" means that a reproduction of the item is transmitted. The stored, compressed digitized data that was received and stored in the local distribution system (in the prior two steps) is employed for transmitting the representation of the item. The phrase "to transmit a representation of the at least one item to at a plurality of subscriber receiving stations" means that a representation of the at least one item is transmitted such that it is received by a plurality of subscriber receiving stations. The term "subscriber receiving station" means "a subscriber's assembly of elements, hardware and software, capable of functioning together to receive the representation of the item of audio/video information." The term "coupled to" has already been construed by the Court to mean that two elements are directly attached to one another such that using a diskette to transfer information from one to another would mean that the two elements

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	are not "coupled to" one another.
Round 2 Defendants	The phrases "using the stored compressed, digitized data to transmit . . . " and "subscriber receiving stations" are indefinite in each of the claims in which they are used.
Round 3 Defendants	Indefinite.

The phrase "using the stored compressed, digitized data to transmit a representation of the at least one item to at a plurality of subscriber receiving stations coupled to the local distribution system" appears in claim 17 of the '863 patent.

a) The Meaning of "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item"

This phrase of claim 17 states that "a representation of the at least one item" is transmitted "using the stored compressed, digitized data." The compressed, digitized data is the "compressed, digitized data" received by and stored at the local distribution system. According to *Webster's*, the term "use" has an ordinary meaning of "to put into action or service: have recourse to or enjoyment of: employ." Here, "using" means that the "compressed, digitized data" received by and stored at the local distribution system is employed for transmitting the representation of the item to the plurality of subscriber receiving stations, rather than some other representation. This is consistent with the specification which describes, as examples, cable television systems in which the audio/video information is stored at a local distribution system and then transmitted to the subscriber for viewing. (*See, e.g.*, '863 patent, 4:13-5:29; Figures 1d-1g).

Thus, the claim requires that it is the compressed, digitized data that was received and stored at the local distribution system that is employed for transmitting. It is *not* the compressed, digitized data at the central processing location, the compressed, digitized data received at the local distribution system (but not stored), or any other compressed, digitized data that is transmitted.

The Round 2 defendants contend that the term "using" is indefinite. Although they bear the burden of proving indefiniteness, the defendants have not articulated the grounds for contending that this phrase is indefinite. The Round 2 defendants cannot demonstrate that persons of ordinary skill in the art in 1991 would not have understood what is meant by "using," when claim 17 is read in light of the specification. *Bancorp*, 359 F.3d at 1372. Acacia reserves the right to address defendants' specific contentions in its reply brief.

b) The Meaning of "to at a Plurality of Subscriber Receiving Stations"

The phrase "to transmit a representation of the at least one item to at a plurality of subscriber receiving stations" means that a representation of the at least one item is transmitted such that it is received by a plurality of subscriber receiving stations.

The Round 3 defendants contend that this "using …" phrase is indefinite. Although the Round 3 defendants have not articulated their grounds for contending that the "using …" phrase is indefinite, Acacia believes that the Round 3 defendants may contend that the words of this phrase – ". . .to transmit a representation of the at least one item *to at* a plurality of subscriber receiving stations …" is indefinite.

This phrase is not indefinite. One of ordinary skill in the art would easily have understood the phrase to mean that a representation of the at least one item is transmitted such that it is received by a plurality of subscriber receiving stations. The ordinary meaning of "to" is "used as a function word to indicate movement or an action or condition suggestive of movement toward (1) a person, place, or thing that is reached or is thought of as being reached." (*Webster's*). (See Block Decl. Ex. 6). The ordinary meaning of "at" is "used as a function word to indicate that which is the goal of an action or that toward which an action or motion is directed." (*Webster's*). (See Block Decl. Ex. 7).

Although either one of these terms would, by itself, suffice to communicate that the plurality of subscriber receiving stations is the thing to which (or at which) the representation of the at least one item is transmitted, the fact that both are used does not mean that this phrase is legally indefinite. *See, e.g., Exxon Research & Eng'g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001) ("Under a broad concept of indefiniteness, all but the clearest claim construction issues could be regarded as giving rise to invalidating indefiniteness in the claims at issue. But we have not adopted that approach to the law of indefiniteness. We have not insisted that claims be plain on their face in order to avoid condemnation for indefiniteness; rather, what we have asked is that the claims be amenable to construction, however difficult that task may be.")

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c) The Meaning of "Subscriber Receiving Stations"

Acacia discusses the meaning of the term "subscriber receiving stations" in Section No. 8, above. The context in which the term "subscriber receiving stations" is used in claim 14 of the '863 patent is similar to the context in which it is used in claim 17 of the '863 patent. Therefore the term "subscriber receiving stations" means "an assembly of elements, hardware and software, capable of functioning together to receive the representation of the item" in both claims 14 and 17.

15. Whether Each Step of Claims 14 and 17 of the '863 Patent and Claims 8 and 11 of the '720 Patent Begin and Occur Only After a Prior Step or Steps Have Been Completed

Although parties were able to stipulate to the order of the steps of method claims 14 and 17 of the '863 patent and claims 8 and 11 of the '720 patent, the parties are unable to agree as to whether each step of these claims begins and occurs only after a prior step or steps have been completed. This is the same issue that was argued to the Court during the last round of Mrakman briefing with respect to the method claims in the '992 and '275 patents.

As the Court may recall, Acacia contends that there is no limitation in any of these claims that each step begins and occurs only after a prior step or steps have been completed; the claims only require that the steps are performed in sequence. Thus, it would be improper for the Court to add such a limitation to the claims. *See*, *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950; *Mantech*, 152 F.3d at 1374; *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

VI. CLAIMS 4, 7, 8, AND 11 OF THE '720 PATENT

Claim 4 of the '720 patent is an independent system claim:

> 4. A digital audio/video communication network comprising:
>
> a reception system in data communication with a plurality of [24] subscriber selectable receiving stations, the reception system comprising,
>
> means for receiving compressed, digitized data representing at least one item of audio/video information at a non-real time rate,
>
> means for storing a complete copy of the received compressed, digitized data, and

[17] means responsive to the stored compressed, digitized data, for transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations, wherein said means for receiving, said means for storing, and said means for transmitting are positioned at the same location, and wherein the at least one of the plurality of **[16] subscriber selectable stations** is located at a premises geographically separated from the location of the reception system.

Claim 7 of the '720 patent is dependant from claim 6 of the '720 patent (which is dependant from claim 1 of the '720 patent):

7. A digital audio/video communication network as recited in claim 6, wherein the processing station comprises:

[18] means for inputting items of audio/video information;

[19] conversion means for placing each input item of audio/video information into a predetermined format as formatted data;

compression means for compressing the formatted data; and

[20] transmitter means for sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system.

Claim 8 of the '720 patent is an independent method claim:

8. A method of distributing audio/video information comprising:

[1] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location to a local distribution system remote from the central processing location;

receiving, into a receiving means, the transmitted compressed, digitized data representing a complete copy of the at least one item;

storing, in a storing means, the received compressed, digitized data representing the complete copy of the at least one item at the local distribution system; and in response to the stored compressed, digitized data, transmitting, using a **[21] transmitting means**, a representation of the at least one item at a real-time rate to at least one of a plurality of **[16] subscriber selectable receiving stations** coupled to the local distribution system, wherein the receiving means, the storing means, and the transmitting means are positioned at the same location, and wherein the at least one of the plurality of subscriber selectable stations is located at a premises geographically separated from the local distribution system.

Claim 11 of the '720 patent is an independent method claim:

11. A method of distributing audio/video information comprising:

formatting items of audio/video information as compressed digitized data at a central processing location;

[1] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information from the central processing location;

receiving, into a receiving means, the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information at a local distribution system;

storing, in a storing means, the received compressed, digitized data representing the complete copy of the at least one item at the local distribution system; and

[14] using the stored compressed, digitized data to transmit using a transmitting means a representation of the at least one item to at least one of a plurality of **[16] subscriber selectable receiving stations** coupled to the local distribution system, wherein the receiving means, the storing means, and the transmitting means are positioned at the same location, and wherein the at least one of the plurality of subscriber selectable stations is located at a premises geographically separated from the location of the local distribution system.

16. "Subscriber Selectable Receiving Stations" ('720 Patent, Claims 4, 8, and 11)

Acacia	The term "subscriber selectable" means that the subscriber is presented with the option of choosing, from among the plurality of receiving systems, the receiving station to which the information is transmitted. The term "receiving station" means "a subscriber's assembly of elements, hardware and software, capable of functioning together to receive the representation of an item of audio/video information."
Round 2 Defendants	Claim 4: "subscriber selectable" means the reception system provides the subscriber with a choice, from among the plurality of receiving stations, of the receiving station or stations to which the information is transmitted. Claims 8 and 11: "subscriber selectable" means the local distribution system

	provides the subscriber with a choice, from among the plurality of receiving stations, of the receiving station or stations to which the information is transmitted.

The term "subscriber selectable receiving stations" appears in claims 4, 8, and 11 of the '720 patent. This term is used in the same context in each of these claims.

Claims 14 and 17 of the '863 use the similar phrase "subscriber receiving stations." As discussed above in Section No. 8, Acacia set forth the construction for "subscriber receiving stations" as "an assembly of elements, hardware and software, capable of functioning together to receive the representation of an item of audio/video information and operated by a subscriber."

The only difference between the phrase "subscriber receiving stations" of claims 14 and 17 of the '863 patent and the phrase "subscriber selectable receiving stations" of claims 4, 8, and 11 of the '720 patent is the presence of the word "selectable."

The concept of "selectability" is also included in claim 19 of the '992 patent, which the parties have already briefed and argued. Although the term "selectable" does not appear in Claim 19 of the '992 patent, the term "selected" does. Claim 19 includes reference to a user request and selected in claim 19 refers to the remote location ("selected remote location"). Acacia proposed a construction of "selected remote locations" in claim 19 of the '992 patent as follows: "The 'remote location selected by the user' and the 'selected remote location' are 'a site or position distant in space from the transmission system that the user specifies in the request, where *one of the available options* is a site or position that is different from the site or position where the user makes the request.'" (emphasis added).

Claims 4, 8, and 11 use the term "selectable" as part of the term "subscriber *selectable* receiving stations." Thus, consistent with the specification of the '720 patent ('720 patent, 5:6-16; 13:56-60; 14:28-45) and with Acacia's proposed construction for "selected remote locations" in claim 19 of the '992 patent, Acacia construes "subscriber selectable" to mean: "the subscriber is presented with the option of choosing, from among the plurality of receiving systems, the receiving station to which the information is transmitted.."

The Round 2 Satellite defendants contend that "selectable" in claim 4 means that the reception system provides the subscriber with a choice of receiving stations and in claims 8 and 11 means that the local distribution system provides the subscriber with a choice of receiving systems. Defendants' construction improperly adds the limitation in claim 4 that the reception system provides the choice and in claims 8 and 11 that the local distribution system provides the choice. Nothing in the claims states that such a limitation exists, because the claims merely state that the receiving stations are selectable, without requiring that any particular structure provide the subscriber with the choice. The Court therefore cannot add these limitations to the claims. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950; *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper."); *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

17. "Means, Responsive to the Stored, Compressed Digitized Data, for Transmitting a Representation of the at Least One Item of Audio/Video Information at a Real-Time Rate to at Least One of the Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 4)

Acacia	Construed pursuant to 35 U.S.C. § 112, ¶ 6 – a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, satellite transmitter, (See, e.g., reference nos. 122, 200d) and all equivalents. The phrase "responsive to the stored compressed, digitized data" means that the means for transmitting only performs the function of transmitting after compressed digitized data has been stored.
Round 2 Defendants	Function: Information in the stored, compressed digitized data triggers the transmission of a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations Structure: Indefinite for lack of corresponding structure. The phrase "responsive to the stored compressed, digitized data" means that information in the stored, compressed digitized data triggers the transmission.

Claim 4 also includes a "means, responsive to the stored, compressed digitized data, for transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations."

The parties agree that this phrase is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6. The parties, however, disagree as to the function performed by the means for transmitting. Acacia contends that the claimed function is "transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations."

The structure disclosed in the '720 patent specification necessary for performing this function is transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, or satellite transmitter (*See*, '720 patent at 4:49-59, 15:14 – 17:44, and 18:46-19:12 and shown in Figures 1g, 2b, and 8e):

> The transmission system 100 of the present invention preferably further includes transmitter means 122, coupled to the compressed data library 118, for sending at least a portion of a specific file to at least one remote location. The transmission and receiving system of the present invention preferably operates with any available communication channels. Each channel type is accessed through the use of a communications adaptor board or processor connecting the data processed in the transmission format converter 119 to the transmission channel.
>
> A preferred embodiment of the present invention also includes means by which to access users via common access lines. These may include standard telephone, ISDN or B-ISDN, microwave, DBS, cable television systems, MAN, high speed modems, or communication couplers. Metropolitan Area Networks (MANS) which are common carrier or private communication channels are designed to link sites in a region. MANs are described by Morreale and Campbell in "Metropolitan-area networks" (IEEE Spectrum, May 1990 pp. 40-42). The communication lines are used to transmit the compressed data at rates up to, typically, 10 Mb/sec.

('720 patent, 15:14-34).

> The transmitter 122 places the formatted data onto the communications channel. This is an electrical conversion section and the output depends upon the chosen communication path. The signal is sent to the reception system 200 in either a two way or a one way communication process. In a standard telephone connection, the transmitter 122 is preferably a modem. When using an ISDN channel, the transmitter 122 is preferably a data coupler.
>
> In a preferred embodiment of the present invention, many forms of communication channels may be employed. Distribution of information is by common carrier communication channels whenever possible. These channels include common telephone service, ISDN and Broadband ISDN, DBS, cable television systems, microwave, and MAN.

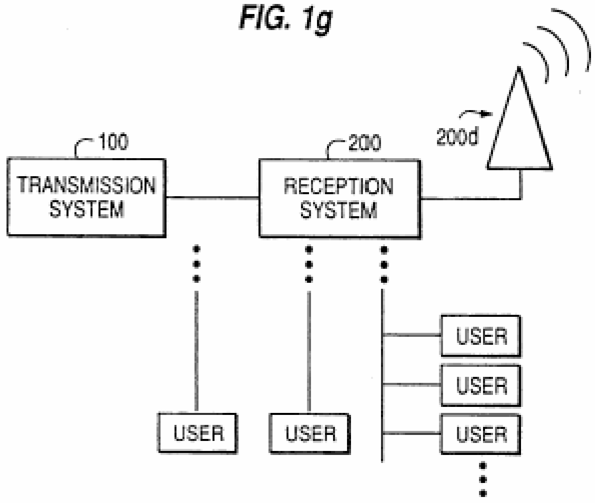
('720 patent, 16:4-17).

The '720 patent further teaches that a means for transmitting is part of the reception system, as depicted in Figure 1g and described in the specification:

> FIG. 1g shows a high level block diagram of the transmission and receiving system of the present invention including transmission system 100 distributing to a reception system 200, which then preferably transmits requested material over airwave communication channels 200d, to a plurality of users. The transmission and receiving system shown in FIG. 1g may preferably transmit either compressed or uncompressed data, depending on the requirements and existing equipment of the user. The airwave transmission and receiving system shown in FIG. 1g may preferably employ either VHF, UHF or satellite broadcasting systems.

('720 patent, 4:49-59).

FIG. 1g



The Round 2 Satellite defendants contend that the "means for transmitting" is indefinite but have not articulated the grounds for contending that the term is indefinite. Presumably, this is because the Round 2 defendants contend that the claimed function of the means for transmitting includes the limitation that the information in the stored, compressed digitized data "triggers" the transmission of the representation. The Round 2 Satellite defendants are basing this construction of the claimed function on their erroneous construction of the phrase "responsive to the stored compressed, digitized data," which Acacia address above in Section No. 7. Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

18. "Means for Inputting Items of Audio/Video Information" ('720 Patent, Claim 7)

Acacia	Construed pursuant to 35 U.S.C. § 112, ¶ 6 -- analog input receiver (127) and/or a digital input receiver (124), and all equivalents.

Round 2 Defendants	Function: Inputting items of audio/video information. Structure: Indefinite for lack of corresponding structure.

Claim 7 depends from claim 6 of the ‘720 and states that the processing station of claim 6 includes four elements – a means for imputing, a conversion means, a compressing means, and a transmitting means.

The parties agree that the “means for inputting” element is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6. The claimed function is “inputting items of audio/video information.”

The structures disclosed in the specification for the means for inputting are the analog input receiver (127) and the digital input receiver (124). Both input receivers are described in the specification as performing the function of inputting items of audio/video information, however, if the items contain only analog or digital information, then only one type of input receiver is necessary:

> The items stored in source material library 111 and encoded by identification encoder 112 may be in either analog or digital form. Converter 113 therefore includes analog input receiver 127 and digital input receiver 124. If items have only one format, only one type of input receiver 124 or 127 is necessary.
>
> When the information from identification encoder 112 is digital, the digital signal is input to the digital input receiver 124 where it is converted to a proper voltage. A formatter 125 sets the correct bit rates and encodes into least significant bit (lsb) first pulse code modulated (pcm) data. Formatter 125 includes digital audio formatter 125a and digital video formatter 125b. The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b. Formatter 125 outputs the data in a predetermined format.
>
> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes. Converter 123 preferably forms the digital data bytes into the same format as the output of formatter 125.

(‘720 patent, 6:51-7:6; emphasis added).

The digital input receiver (124) and the analog input receiver (127) are depicted in Figure 2a of the ‘720 patent:

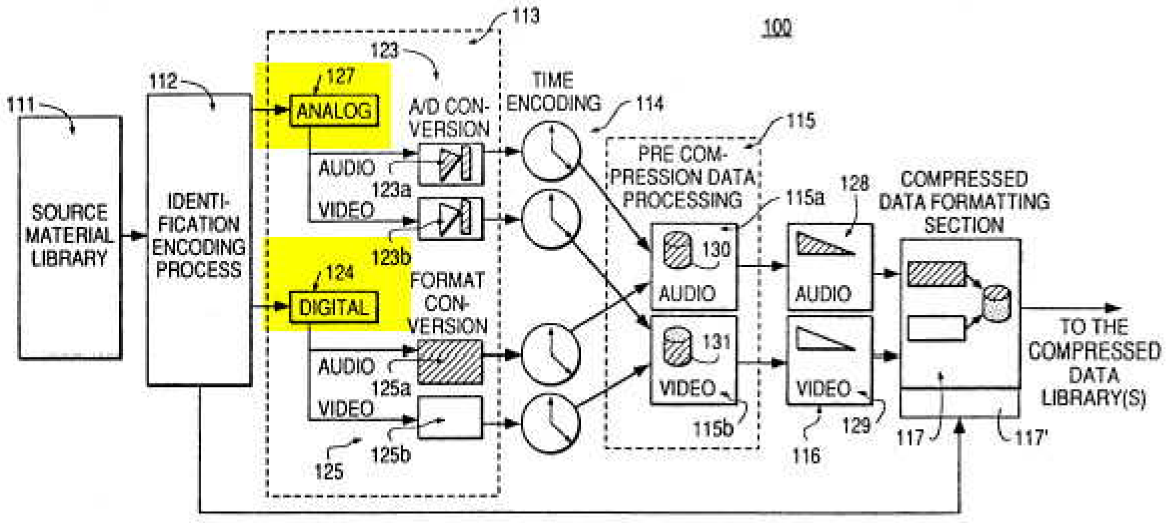

113
100
123
112
127
111
ANALOG
A/D CON-
VERSION
TIME
ENCODING
114
115
AUDIO
PRE COM-
PRESSION DATA
PROCESSING
128
COMPRESSED
DATA FORMATTING
SECTION
SOURCE
MATERIAL
LIBRARY
IDENTI-
FICATION
ENCODING
PROCESS
123a
VIDEO
115a
123b
130
124
DIGITAL
FORMAT
CON-
VERSION
AUDIO
AUDIO
AUDIO
125a
131
VIDEO
VIDEO
VIDEO
TO THE
COMPRESSED
DATA
LIBRARY(S)
115b
129
117
117'
125b
116
125

FIG. 2a

Thus, the means for inputting should be interpreted to include either the digital input receiver (124) or the analog input receiver (127) or both, and all equivalents.

The Round 2 defendants contend that the "means for inputting" is indefinite, due to an alleged lack of corresponding structure. As shown above, the specification discloses corresponding structure.

19. "Conversion Means for Placing Each Item of Audio Video Information Into a Predetermined Format as Formatted Data" ('720 Patent, Claim 7)

Acacia	Construed pursuant to 35 U.S.C. § 112, ¶ 6 – an analog audio converter (123a), an analog video converter (123b), a digital audio formatter (125a) and/or a digital video formatter (125b), and all equivalents.
Round 2 Defendants	Function: Placing each input item of audio and/or visual information into a predetermined format as formatted data. Structure: Converter 113

Claim 7 includes a "conversion means for placing each item of audio/video information into a predetermined format as formatted data." The parties agree that the "conversion means" element is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6.

The claimed function is "placing each item of audio/video information into a predetermined format as formatted data."

The parties essentially agree that the corresponding structure is found in the converter 113. The parties only disagreement appears to be whether only analog, digital devices, or both are permitted (Acacia's position) or whether all of the devices (analog and digital) are required (the Round 2 defendants' position). According to the specification, the items of audio/video information may encompass items of only digital information, only analog information, or both digital and analog information. If the items have only one format, then only one type of input receiver is necessary. (*See,* '720 patent, 6:51-56). Thus, if only one type of input receiver is necessary, then only one type of formatter or converter is necessary.

Acacia contends that the structures disclosed in the '720 patent specification for performing the claimed function on either analog or digital information or both are the analog audio converter (123a), analog video converter (123b), digital audio formatter (125a) and/or digital video formatter (125b) as described in the specification of the '720 patent at 6:56-7:13 and shown in Figure 2a:

> When the information from identification encoder 112 is digital, the digital signal is input to the digital input receiver 124 where it is converted to a proper voltage. A formatter 125 sets the correct bit rates and encodes into least significant bit (lsb) first pulse code modulated (pcm) data. Formatter 125 includes digital audio formatter 125a and digital video formatter 125b. The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b. Formatter 125 outputs the data in a predetermined format.
>
> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes. Converter 123 preferably forms the digital data bytes into the same format as the output of formatter 125.
>
> Converter preferably includes an analog audio converter 123a and an analog video converter 123b. The analog audio converter 123a preferably converts the retrieved audio signal into pcm data samples at a fixed sampling rate. The analog video converter 123b preferably converts the analog video information, retrieved from identification encoder 123, into pcm data also at fixed sampling rates.

('720 patent, 6:56-7:13).

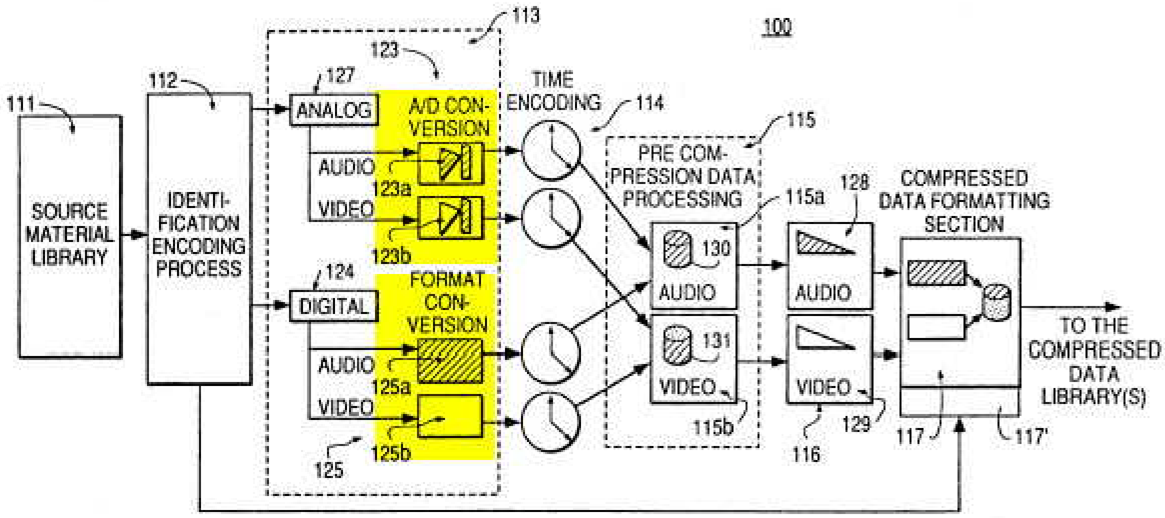

113
100
123
112
127
111
ANALOG
A/D CON-VERSION
TIME ENCODING
114
115
AUDIO
123a
PRE COM-PRESSION DATA PROCESSING
128
COMPRESSED DATA FORMATTING SECTION
SOURCE MATERIAL LIBRARY
IDENTI-FICATION ENCODING PROCESS
VIDEO
115a
130
123b
124
FORMAT CON-VERSION
AUDIO
AUDIO
DIGITAL
131
AUDIO
125a
TO THE COMPRESSED DATA LIBRARY(S)
VIDEO
VIDEO
VIDEO
115b
129
125b
117
117'
125
116

FIG. 2a

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20. "Transmitter Means for Sending Compressed Formatted Data for the at Least One Item of Audio/Video Information at the Non-Real Time Rate to the Reception System" ('720 Patent, Claim 7)

Acacia	The term "transmitter" is sufficient structure to perform the claimed function and therefore overcome the presumption of 35 U.S.C. § 112, ¶ 6. If construed pursuant to 35 U.S.C. § 112, ¶ 6 – a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, satellite transmitter, and all equivalents.
Round 2 Defendants	Function: Sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system Structure: Transceiver/transmitter 122 in Figure 2b.

Claim 7 includes a "transmitter means for sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system."

This phrase uses the term "means for," and therefore is presumptively construed pursuant to 35 U.S.C. § 112, ¶ 6. In this case, however, the claim phrase recites the structure ("transmitter") for performing the recited function ("sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system"). Therefore, the presumption that 35 U.S.C. § 112, ¶ 6 controls is overcome. *See, TI Group Auto. Sys. (N. Am.), Inc. v. VDO N. Am., L.L.C.*, 375 F.3d 1126, 1135 (Fed. Cir. 2004) ("While the use of the word 'means' gives rise to a presumption that § 112, paragraph 6 applies, the presumption is overcome by the recitation of the structure needed to perform the recited function.") This phrase should therefore be construed to mean "a transmitter."

The Court may find, however, that the term "transmitter" is not sufficient structure to overcome the presumption that 35 U.S.C. § 112, ¶ 6 applies. If this is the case, then the Court would follow the construction rules for terms construed pursuant to 35 U.S.C. § 112, ¶ 6.

The parties agree that the claimed function for the "transmitter means" is "sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system."

The parties dispute the structures disclosed in the specification for performing this function. Acacia contends that the structure disclosed in the '720 patent specification necessary for performing this function is a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, or satellite transmitter (*See,* '720 patent at 4:49-59, 15:14 – 16:39, and 18:64-19:12 and shown in Figures 1g, 2b, 6, and 8e):

> FIG. 1g shows a high level block diagram of the transmission and receiving system of the present invention including transmission system 100 distributing to a reception system 200, which then preferably transmits requested material over airwave communication channels 200d, to a plurality of users. The transmission and receiving system shown in FIG. 1g may preferably transmit either compressed or uncompressed data, depending on the requirements and existing equipment of the user. The airwave transmission and receiving system shown in FIG. 1g may preferably employ either VHF, UHF or satellite broadcasting systems.

('720 patent, 4:49-59).

> The transmission system 100 of the present invention preferably further includes transmitter means 122, coupled to the compressed data library 118, for sending at least a portion of a specific file to at least one remote location. The transmission and receiving system of the present invention preferably operates with any available communication channels. Each channel type is accessed through the use of a communications adaptor board or processor connecting the data processed in the transmission format converter 119 to the transmission channel.

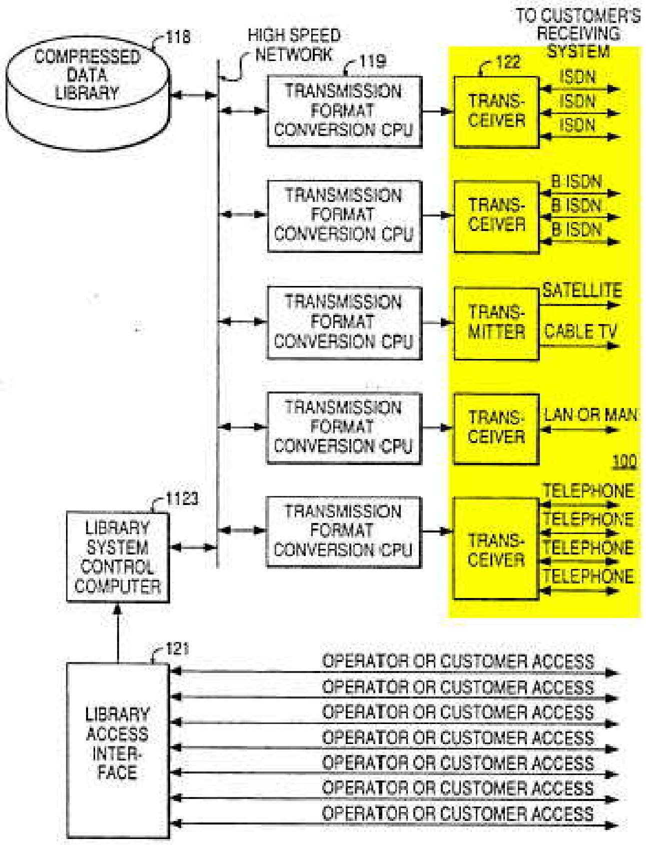
> A preferred embodiment of the present invention also includes means by which to access users via common access lines. These may include standard telephone, ISDN or B-ISDN, microwave, DBS, cable television systems, MAN, high speed modems, or communication couplers. Metropolitan Area Networks (MANs) which are common carrier or private communication channels are designed to link sites in a region. MANs are

> described by Morreale and Campbell in "Metropolitan-area networks" (IEEE Spectrum, May 1990 pp. 40-42). The communication lines are used to transmit the compressed data at rates up to, typically, 10 Mb/sec.

('720 patent, 15:14-34).

> The transmitter 122 places the formatted data onto the communications channel. This is an electrical conversion section and the output depends upon the chosen communication path. The signal is sent to the reception system 200 in either a two way or a one way communication process. In a standard telephone connection, the transmitter 122 is preferably a modem. When using an ISDN channel, the transmitter 122 is preferably a data coupler.
>
> In a preferred embodiment of the present invention, many forms of communication channels may be employed. Distribution of information is by common carrier communication channels whenever possible. These channels include common telephone service, ISDN and Broadband ISDN, DBS, cable television systems, microwave, and MAN.

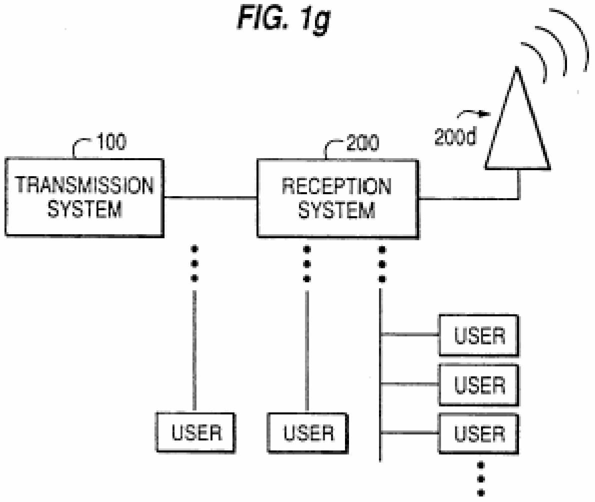
('720 patent, 16:4-17).



COMPRESSED DATA LIBRARY
118
HIGH SPEED NETWORK
119
TO CUSTOMER'S RECEIVING SYSTEM
122
TRANSMISSION FORMAT CONVERSION CPU
TRANS-CEIVER
ISDN
ISDN
ISDN
B ISDN
B ISDN
B ISDN
TRANS-MITTER
SATELLITE
CABLE TV
LAN OR MAN
100
TELEPHONE
TELEPHONE
TELEPHONE
TELEPHONE
1123
LIBRARY SYSTEM CONTROL COMPUTER
121
LIBRARY ACCESS INTER-FACE
OPERATOR OR CUSTOMER ACCESS

FIG. 2b

FIG. 1g



The Round 2 Satellite Defendants contend that the structures for performing the transmitting function are limited to the transceiver/transmitter 122 shown in Figure 2b. This is incorrect, however, because the specification describes other transmitters, including broadcast television transmitters, which are not depicted in Figure 2b, but are nevertheless disclosed in the specification.

21. "... Transmitting, Using a Transmitting Means, a Representation of the at Least One Item at a Real-Time Rate to at Least One of a Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 8)

Acacia	The "transmitting means" is construed pursuant to 35 U.S.C. § 112, ¶ 6 – a transmission data converter (aka transmission format conversion CPU) (reference no. 119) and a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, satellite transmitter, and all equivalents.
Round 2 Defendants	Function: Transmitting data at a real-time rate to at least one of a plurality of subscriber selectable receiving stations. Structure: Transceiver/transmitter 122 in Figure 2b.

Claims 8 and 11 of the '720 patent include the phrase "... transmitting, using a transmitting means, a representation of the at least one item at a real-time rate to at least one of a plurality of subscriber selectable receiving stations." This phrase requires that the act of transmitting be performed by a "transmitting means."

The parties agree that the "transmitting means" is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6. The claimed function is "transmitting a representation of the at least one item at a real-time rate to at least one of a plurality of subscriber selectable receiving stations."

The structure disclosed in the '720 patent specification necessary for performing this function is a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, or satellite transmitter (*See*, '720 patent at 4:49-59, 15:14 – 16:39, and 18:64-19:12 and shown in Figures 1g, 2b, 6, and 8e).

VII. CLAIM TERMS FROM THE '992 PATENT THAT THE COURT HAS ALREADY CONSTRUED

22. "Transmission System" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17)

Acacia	The term "transmission system" has already been construed by the Court to mean "an assembly of elements, hardware and software, that function together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system."
Round 3 Defendants	A "transmission system" is a system as depicted in Fig. 2 (2a and 2b) of the Yurt patents. A "transmission system" must include the following components, interconnected in the order identified: a source material library (element 111 of Fig. 2a); an identification encoder (element 112 of Fig. 2a); a conversion means (element 113 of Fig. 2a); a time encoder (element 114 of Fig. 2a); a pre compression processor (element 115 of Fig. 2a); a compressor (element 116 of Fig. 2a); a compressed data storage means (element 117 of Fig. 2a); a compressed data library (element 118 of Fig. 2b); a transmission format means (element 119 of Fig. 2b); and a transceiver or transmitter (element 122 of Fig. 2b). [See construction 24 for "source material library" below]

The term "transmission system" appears in all of the claims the '992 patent, all of the claims of the '275 patent, claims 1-9, and 11-19 of the '863 patent, claims 1-3 of the '720 patent, and all of the claims of the '702 patent. The Court construed the term "transmission system" in Markman I in the context of the claims of the '702 patent (the '702 patent claims specified that the transmission system is in data communication with a reception system):

> The Court finds "transmission system" to mean "an assembly of elements, hardware and software, that functions together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system."

(Markman I, at 28:11-13).

In Markman II, Acacia sought reconsideration of the Court's construction for "transmission system," by seeking to make clear in the construction that the transmission system may be located in one facility or may be spread over a plurality of facilities. The Rounds 1 and 2 defendants contended that such an amendment to the construction was not necessary, because they contended that, in the '702 patent claims, the transmission system (which was part of the phrase "transmission system at a first location") was limited to only one location. None of the Rounds 1 and 2 defendants (which include cable companies, similar to the cable companies that comprise the Round 3 defendants) sought reconsideration of the Court's construction of "transmission system," and, in fact, none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "transmission system."

In Markman II, the Court let its previous definition stand:

> The Court lets stand its previous definition of "transmission system" to mean an assembly of elements, hardware and software, that function together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system."

(Markman II, at 3:11-14).

The Round 3 defendants seek reconsideration of the Court's construction of the term "transmission system" and therefore the Round 3 defendants bear the burden of proving that the Court's construction, which was the result of copious briefing and argument in two Markman hearings, was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to substitute its construction for "transmission system" with a construction which limits the "transmission system" in every claim to only the system exactly as depicted in Figures 2a and 2b. The Court's construction correctly contains none of these limitations. The Round 3 defendants' construction, however, would *violate* every relevant claim construction canon:

- The Round 3 defendants' proposed construction would improperly add numerous limitations to the claims that patentees chose to exclude from the claims. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.")

- The Round 3 defendants' proposed construction would improperly import a preferred embodiment from the specification into the claims. *Electro Med*, 34 F.3d at 1054; *Laitram*, 863 F.2d at 865 ("References to the preferred embodiment, such as those often present in a specification, are not claim limitations."); *Texas Instruments*, 805 F.2d at 1563 ("This court has cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification.")

- The Round 3 defendants' proposed construction would improperly limit the claims to the embodiment depicted in Figures 2a and 2b. *See, Prima Tek II*, 318 F.3d at 1148-49 ("Similarly, the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration.")

- The Round 3 defendants' proposed construction would be inconsistent with the specification, which states that the transmission system shown in Figures 2a and 2b need only include some of the elements shown in Figures 2a and 2b. ('992 patent, 5:63-65). *See, Renishaw*, 158 F.3d at 1250 ("The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction."); *Medrad*, 401 F.3d at1319 ("We cannot look at the ordinary meaning of the term … in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history."); *Standard Oil*, 774 F.2d at 452 ("the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Merck*, 347 F.3d at 1371 ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.")

- The Round 3 defendants' proposed construction would eliminate the need for claims. *SRI International*, 775 F.2d at 1121 ("'[T[hat claims are interpreted in light of the specification does not mean that everything expressed in the specification must be read into all the claims.' *Raytheon Corp. v. Roper Corp.*, 724 F.2d at 957, 220 U.S.P.Q. at 597. If everything in the specification were required to be read into the claims, or if structural claims were to be limited to devices operated precisely as a specification-described embodiment is operated, there would be no need for claims. Nor could an applicant, regardless of the prior art, claim more broadly than that embodiment.").

- The Round 3 defendants' proposed construction would be inconsistent with the context of the claims that use the term "transmission system." For instance, claim 41 of the '992 patent is a method claim and none of the method steps recite any specific structure for performing any particular step. Thus, none of the steps are limited to any particular structure. *See*, *Epcon Gas Systems*, 279 F.3d at 1032 ("The method of claim 2 does not mention structure by which the 'venting' is to be performed. Thus, Epcon is correct that the district court improperly imported language from the specification into the claim.")

    - Other method claims, such as claim 19 of the '992 patent, only recite that the transmission system stores compressed information, receives requests, and sends information; none of the other functions or structures of the transmission system of Figures 2a and 2b (such as the source material library, converter, time encoders, or compressors or their functions) are recited in these claims. Claim 25 of the '992 patent requires a transmission system and a source material library, but does not recite other structure of the transmission system and does not require that the compressed, formatted information be sequenced or ordered, meaning that there is no requirement that the transmission system include a time encoder. The transmission system in these claims therefore cannot be limited to the transmission system exactly as depicted in Figures 2a and 2b.

- o System claims, such as claim 1 of the '992 patent, which specifically claim "[a] transmission system, … comprising," would not make any sense if the Round 3 defendants' construction for "transmission system" is adopted by the Court. "The same terms appearing in different claims in the same patent … should have the same meaning." *See, Wilson Sporting Goods,* 442 F.3d at 1327. Thus, if the Court adopts the Round 3 defendants' construction for "transmission system," then, presumably, each of the "means plus function" elements in claim 1 of the '992 patent would have a definite structure which would be provided in the definition of "transmission system" itself. It would also eliminate the need for defendant claims and therefore would violate the doctrine of claim differentiation.

- The Round 3 defendants' proposed construction would be inconsistent with the Court's ruling that the term "sequence encoder" is not the "time encoder." The term "transmission system" appears in all of the claims of the '702 patent. In its proposed construction for the "transmission system," the Round 3 defendants contend that the "transmission system" includes a "time encoder." Claims 1-26 and 32 and 33 of the '702 patent require that the "transmission system" include a "sequence encoder." All of the other defendants contended that the "sequence encoder" cannot be limited to the time encoder, and the Court agreed with all of the other defendants. If the Court adopts the Round 3 defendants' construction for "transmission system," then the transmission system in the '702 patent claims would include a "time encoder" and the term "sequence encoder" would no longer be indefinite. Acacia contends that the "sequence encoder" in the claims of the '702 patent is the "time encoder," but for other reasons.

23. "Reception System" ('275 Patent, Claims 2 and 5)

Acacia	The term "reception system" has already been construed by the Court in the context of the claims of the '702 patent to mean "an assembly of elements,

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	hardware and software, that function together to receive items of information." In addition to the Court's construction, as used in claims 2 and 5 of the '275 patent, the reception system also stores and plays back information. "Play back" is the process of providing signals comprising video and/or audio information, wherein the signals can be displayed and/or heard on a device, such as an audio amplifier and/or television, or recorded. In addition to the Court's construction, as used in claim 4 of the '720 patent, the reception system also stores and transmits audio/video information.
Round 3 Defendants	A "reception system" is a system which receives information, either electronically or optically, directly from a transmission system.

The term "reception system" appears in claims 2 and 5 of the '275 patent, claim 4 of the '720 patent, and all of the claims of the '702 patent. The Court construed the term "reception system" in Markman I in the context of the claims of the '702 patent:

> The Court construes "reception system" to mean "an assembly of elements, hardware and software, capable of functioning together to receive items of information."

(Markman I, at 28:21-22).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "reception system" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "reception system."

The Round 3 defendants seek reconsideration of the Court's construction of the term "reception system" and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants seek to *add* limitations to the Court's construction of "reception system" specifically to add that the "reception system": (1) receives information electronically or optically, and (2) receives information *directly* from a transmission system.

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The Court should not construe the term "reception system" to include a limitation as to how the information is received by the transmission system, i.e., electronically or optically. These are extraneous limitations, which are unnecessary to the construction of the term "reception system." *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

The Court should also not construe the term "reception system" to include the limitations that the reception system receives the information *directly* from a transmission system. Again, this is an extraneous limitation that is unnecessary to construe the term "reception system." *Hoganas*, 9 F.3d at 950. Receiving information directly from a transmission system is not a requirement of the claims or the specification. The *Resonate* case is on point. In *Resonate*, the Federal Circuit refused to add limitations to the phrase "transmitting the requested resource to the client" that would require that the transmission only travel over a certain transmission path, because the claims did not specify any particular transmission path. *Resonate*, 338 F.3d at 1365 ("The patentee's apparent choice not to specify a transmission path from the server to the client led the district court to add a limitation that the requested resource be transmitted directly to the client.… Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

Here, neither claims 2 and 5 of the '275 patent, claim 4 of the '720 patent, nor any of the claims of the '702 patent specify any transmission path for the information and they certainly do not specify that the information is transmitted to the "reception system" *directly* from a transmission system. Such a limitation is not required or even described in the specification, and therefore it would be legal error for the Court to add this limitation to the meaning of the term "reception system."

24. "Storing Items Having Information in a Source Material Library" ('992 Patent, Claim 41)

Acacia	The phrase "storing items having information in a source material library" has already been construed to mean "adding items having information to a collection of existing materials." Acacia contends that this phrase should be construed as "adding items having information to a collection of existing materials and maintaining the items having information in the collection."
ROUND 3 DEFENDANTS	A "source material library" is a device which i) stores different types of physical objects containing information, including but not limited to audio recordings, still pictures, files of documents, books, computer tapes, computer disks, documents of various sorts, musical instruments, and other physical objects; and ii) is capable of automatically transferring a physical item containing information to an identification encoder in response to an electronically-received request which identifies the physical item containing information. A source material library must be capable of performing this function with physical items of any of the media types described in (i) above. "Storing items" means "adding physical objects to an existing collection."

The phrase "storing items having information in a source material library" appears only in claim 41 of the '992 patent. The Court construed this phrase in Markman I:

> In the transmission system described in claim 41 of the '992 patent, the Court construes the phrase "storing items having information in a source material library" to mean "adding items having information to a collection of existing materials."

(Markman I, at 25:16-18).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "storing items having information in a source material library" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

Acacia asks the Court to make one revision to its construction of this phrase. In its construction, the Court limited the term "storing" to mean only "adding." The term "storing" should be construed to mean both "adding" and "maintaining" and therefore the Court construction should be modified to read as follows: "adding items having information to a collection of existing materials and maintaining the items having information in the collection." This is consistent with the specification, which uses the term "storing" to connote that the items having information are temporarily maintained in the source material library:

> Transmission system 100 of a preferred embodiment of the present invention preferably includes source material library means for *temporary storage* of items prior to conversion and storage in a compressed data library means.

('992 patent, 5:66-6:2).

This is also consistent with the ordinary meaning of the term "storing," which in addition to the act of "adding," includes the act of "maintaining:" "to leave or deposit in a store, warehouse or other place for keeping, preservation, or disposal." (*Webster's*). (See Block Decl. Ex. 8).

The Round 3 defendants seek reconsideration of the Court's construction of the term "source material library" therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to abandon its construction of "source material library" in favor of a new construction which limits the "source material library" to a specific device, which performs the additional functions (not stated in the claims) of: (1) storing different types of physical objects, and (2) being capable of automatically transferring a physical item in response to an electronically received request which identifies the physical item.

Again, the Round 3 defendants are inviting the Court to violate many claim construction canons. Claim 41, in which this phrase appears, does not include any limitations that the source material library must store *multiple different types* of physical objects; it merely says that "items having information" are stored and defendants do not contend that "items having information" refers to multiple different types of items. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Transmatic*, 53 F.3d at 1278 ("[T]he

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district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."); *Prima Tek II*, 318 F.3d at 1149 ("Neither the phrase 'inserted into' nor 'inserted through' appears in any of the asserted claims.").

The Round 3 defendants are improperly attempting to add this limitation from the specification, which itself does *not* even require that the source material library store multiple different types of items: "The source material library 111 *may* include different types of materials. . ." ('992 patent, 6:10-11; emphasis added). The Court should not add a limitation to the meaning of "source material library," when the alleged limitation is not even a limitation of the specification.

Neither claim 41 nor the specification include any limitation or description that the source material library be "capable of automatically transferring a physical item in response to an electronically received request which identifies the physical item." The Court therefore cannot add this limitation to the claim. *See*, *Hoganas*, 9 F.3d at 950.

25. "Items Containing (or Having) Information" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17)

Acacia	The phrase "items containing (or having) information" has already been construed by the Court to mean "items containing information in analog or digital form." The term "item" means "thing" and therefore the Court's construction means "things containing information in analog or digital form."
Round 3 Defendants	"Items having information" are physical objects containing information.

The phrase "items containing (or having) information" appears in claims 19 and 41 of the '992 patent, claims 2 and 5 of the '275 patent, and claims 14 and 17 of the '863 patent. In Markman I, the Court construed the phrase "items containing information":

> The Court construed the term "items containing information" to mean "items containing information in analog or digital form."

(Markman I, at 11:6-7).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "items containing information" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "items containing information."

The Round 3 defendants contend, as have the Rounds 1 and 2 defendants, that the term "items" in this phrase requires construction such that the meaning of the phrase shall be limited to physical objects only. As Acacia discussed in the briefing recently completed on the '992 and '275 patent claim terms and in Section No. 1.b. above, the term "item" is not limited to "physical objects," but rather includes non-physical objects, such as computer files, which may reside on physical objects. (*See*, Acacia's '992/'275 Patent Opening Brief, at 16-20; Acacia's '992/'275 Patent Reply, at 20-22; '992 patent, 5:66-6:22). Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

26. "Remote Locations" ('992 Patent, Claim 41)

Acacia	The term "remote locations," as used in claim 41, has already been construed by the Court to mean "positions or sites distant in space from the transmission system."
Round 3 Defendants	"Remote location" means: positions or sites distant in space from both the transmission system and from any other remote location.

The Round 3 defendants seek reconsideration of the construction for the term "remote locations" in claim 41 of the '992 patent. The Court construed the term "remote locations" in Markman I in the context of claim 41 of the '992 patent:

> Therefore, the Court finds "remote locations" to have its ordinary meaning "positions or sites distant in space from some identified place or places." In claims 1 and 41 of the '992 patent, the term "remote locations" means "positions or sites distant in space from the transmission system."

(Markman I, at 7:20-23).

In Markman II, the Round 2 defendants sought reconsideration of the construction of "remote locations," but the Court let stand its previous definition:

> "Remote locations" was defined in the previous order as part '992 patent claim construction. The Court includes the construction for the '992 patent in the '702 patent claim construction with its justification outlined in the previous order. The term "remote locations" means positions or sites distant in space from some identified place or places.

(Markman II, at 4:1-5).

The Round 3 defendants contend that the term "remote locations" means "positions or sites distant in space from ***both*** the transmission system ***and from any other remote location.***" None of the Rounds 1 and 2 defendants raised this in either Markman I or Markman II. In Markman I, the Court found that, in the context of claims 1 and 41 of the '992 patent, the remote locations are locations that are remote from the transmission system; the Court did not find that each remote location is remote from any other remote location:

> The Court finds that the ordinary meaning of the term "remote locations" is "positions or sites distant in space from some identified place." In the context of claims 1 and 41, the ordinary meaning of the term is "positions or sites distant in space from the transmission system." In the context of claim 1 the term "remote locations" is described in relation to the transmission system in the preamble that recites "[a] transmission system for providing information to be transmitted to remote locations. . ." Similarly, in claim 41 the "remote locations" are sites remote from the transmission system to which at least a portion of the file is sent.

(Markman I, at 4:16-22).

There is nothing in the term "remote location" which indicates that the remote location must be remote from both the transmission system and from any other remote location. Yet again, the Round 3 defendants are seeking to add limitations to a claim term that do not exist in that term. *See, Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

27. "Retrieving the Information in the Items from the Source Material Library" ('992 Patent, Claim 41)

Acacia	The phrase "retrieving the information in the items from the library means" has already been construed by the Court to mean "to get back the information that is contained in the items which are stored in the source material library." The term "source material library" has already been construed by the Court to mean "a collection of existing materials."
Round 3 Defendants	An electronically transmitted request, which identifies the physical object containing information, is sent to the source material library. This request causes the source material library to automatically transfer the physical object to the identification encoder, which extracts the information from the physical object.

The phrase "retrieving the information in the items from the source material library" appears in claim 41 of the '992 patent. In Markman I, the Court construed the similar phrase from claim 1, "retrieving the information in the items from the library means":

> The Court gives the term "retrieve" its ordinary meaning – "to get something back." In this case, the function of the identification encoding means is to get back the information that is contained in the items which are stored in the source material library.

(Markman I, at 13:3-6).

The Court also construed the term "source material library" to mean "a collection of existing materials" in the context of construing the phrase "storing items having information in a source material library":

> In the transmission system described in claim 41 of the '992 patent, the Court construes the phrase "storing items having information in a source material library" to mean "adding items having information to *a collection of existing materials*."

(Markman I, at 25:16-18; emphasis added).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "reception system" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "reception system."

The Round 3 defendants seek reconsideration of the Court's construction of this phrase and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants contend that "retrieving" includes the limitations of: (1) an electronically transmitted request, (2) which identifies the physical object, (3) is sent to the source material library, (4) which causes the source material library to automatically transfer the physical item to the identification encoder. None of these limitations are contained in the phrase "retrieving the information in the items from the source material library." None of these limitations are even included in the specification. There is no legal basis therefore to interpret this phrase to include these additional limitations. *See*, *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

28. "Assigning a Unique Identification Code to the Retrieved Information" ('992 Patent, Claim 41)

Acacia	The phrase "assigning a unique identification code to the retrieved information" has already been construed by the Court to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes."
Round 3 Defendants	"Assigning a unique identification code to the retrieved information" means "assigning a one-of-a-kind identifier to the information received from an item that identifies the retrieved information through the conversion, ordering, compression, and storing process." This step must be performed by an identification encoder, and the identification encoder must also transform the information in the items into an analog or digital format.

The phrase "assigning a unique identification code to the retrieved information" appears only in claim 41 of the '992 patent, although the similar phrase "assigning a unique identification code to the item having information" appears in claims 14 and 17 of the '863 patent.

In Markman I, the Court construed the phrase "assigning a unique identification code to the retrieved information":

> Accordingly, the Court construed the function "assigning a unique identification code to the retrieved information" to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes.

(Markman I, at 14:14-17).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "assigning a unique identification code to the retrieved information" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Round 3 defendants seek reconsideration of the Court's construction of this phrase and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to include the limitation that the "assigning a unique identification code" step of claim 41 of the '992 patent must be performed by an identification encoder and the identification encoder must also transform the information in the items into an analog or digital format. Acacia discussed the reasons why such a construction would be improper in Section No. 3, above.

29. "Placing the Formatted Data into a Sequence of Addressable Data Blocks" ('992 Patent, Claim 41)

Acacia	The phrase "placing the formatted data into a sequence of addressable data blocks" has already been construed by the Court to mean the act of time encoding the formatted data blocks.
Round 3 Defendants	"Addressable" means that the storage location for each data block is known so that the transmission system can retrieve any individual data block by using its storage location. A "data block" is a unit of information consisting of identification codes, data and error-checking codes. A "sequence" is an order. A "sequence of addressable data blocks" means an order of units of information (consisting of identification codes, data and error-checking codes) for which the storage location of each unit of information is known so that the transmission system can retrieve any individual unit of information by using its storage location.

The phrase "placing the formatted data into a sequence of addressable data blocks" appears in claim 41 of the '992 patent.

In Markman I, the Court construed the phrase from claim 1 of the '992 patent "ordering means for placing the formatted data into a sequence of addressable data blocks" to mean the "time encoder (114)":

> Pursuant to § 112, ¶ 6, the "ordering means, coupled to the conversion means" limitation of claim 1 of the '992 patent recites the function of "placing items[14] into a sequence of addressable data blocks."

(Markman I, at 22:16-21).

The Court further construed the phrase "placing the formatted data into a sequence of addressable data blocks" from claim 41 of the '992 patent:

> In light of the Court's construction of the term "ordering means," the phrase "placing the formatted data into a sequence of addressable data blocks" does not require construction.

(Markman I, at 23:3-6).

Thus, because the Court construed the phrase "ordering means, coupled to the conversion means, for placing the formatted data into a sequence of addressable data blocks" to mean the time encoder (114), the Court construed the function of the ordering means – "placing the formatted data into a sequence of addressable data block" – to mean the act of placing formatted data into a time encoded data blocks. This is the stated function of the time encoder (114) in the specification: "The sequence of addressable data blocks which was time encoded and output by time encoder 114 is preferably sent to precompression processor 115." ('992 patent, 8:59-62).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "placing the formatted data into a sequence of addressable data blocks" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Round 3 defendants seek reconsideration of the Court's construction of the term "sequence of addressable data blocks" and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

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[14] The Court's quote of the claim language includes a typographical error; claim 1 states: "ordering means, coupled to the conversion means, for placing the *formatted data* into a sequence of addressable data blocks."

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The Round 3 defendants ask the Court to scrap its construction of "sequence of addressable data blocks" and find instead that "sequence of addressable data blocks" means "an order of units of information (consisting of identification codes, data and error-checking codes) for which the storage location of each unit of information is known so that the transmission system can retrieve any individual unit of information by using its storage location." The Court's construction is proper; the Round 3 defendants are inviting the Court to commit legal error:

- The Round 3 defendants' proposed construction of "addressable" to mean a "storage location" would improperly ***exclude*** time encoding as the addressing scheme. The patentees described time encoding in the specification as being the preferred addressing scheme: "[t]he preferred addressing scheme employs time encoding.… Time encoding by time encoder 114 makes items and subsets of items retrievable and addressable throughout the transmission system." ('992 patent, 8:1-2 and 8:50-53). The Court in this case cannot construe "sequence of addressable data blocks" to exclude the preferred addressing scheme:

> Therefore, in order to be consistent with the specification and preferred embodiment described therein, claim 1 must be construed such that the term "solder reflow temperature" means the peak reflow temperature, rather than the liquidus temperature. Indeed, if "solder reflow temperature" were defined to mean liquidus temperature, a preferred (and indeed only) embodiment in the specification would not fall within the scope of the patent claim. Such an interpretation is rarely, if ever, correct and would require highly persuasive evidentiary support, which is wholly absent in this case. *See Modine Mfg. Co. v. United States Int'l Trade Comm'n*, 75 F.3d 1545, 1550, 37 USPQ2d 1609, 1612 (Fed. Cir. 1996); *see also Hoechst*, 78 F.3d at 1581, 38 USPQ2d at 1130 ("We share the district court's view that it is unlikely that an inventor would define the invention in a way that excluded the preferred embodiment, or that persons of skill in this field would read the specification in such a way.").

Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1583-84 (Fed. Cir. 1996).

- The Round 3 defendants' proposed construction would be improper, because it would eliminate the benefits provided by having time encoding as the addressing scheme; a location in memory does not provide any of these benefits:

> Time encoding allows realignment of the audio and video information in the compressed data formatting section 117 after separate audio and video compression processing by precompression processor 115 and compressor 116.… Realignment of audio and video data, system addressing of particular data bytes, and user addressing of particular portions of items are all made possible through time encoding."

('992 patent, 8:2-6; 8:20-24).

- The term "addressable" in the phrase "sequence of addressable data blocks" does not refer to a location in memory. The specification teaches persons of ordinary skill in the art that time encoding is an addressing scheme and teaches that time encoding makes subsets of items addressable:

> Realignment of audio and video data, system addressing of particular data bytes, and user *addressing* of particular portions of items are all made possible through time encoding. . . Time encoding by time encoder 114 makes items and subsets of items retrievable and *addressable* throughout the transmission system."

('992 patent, 8:20-24 and 8:51-53; emphasis added).

In other words, a user can locate a particular portion of a movie using time encoding, because time encoding makes subsets of items addressable.

- The Round 3 defendants' proposed construction for "data block" is inconsistent with the specification. Nowhere does the specification state that the data blocks referred to in the phrase "sequence of addressable data blocks" consist only of identification codes, data and error checking codes. The specification states that the data blocks in the phrase "sequence of addressable data blocks" are frames of video data and samples of audio data, which are depicted in Figures 8a and 8b:

> The converted formatted information of the requested material is then preferably in the form of a series of digital data bytes which represent *frames of video data and samples of the audio data*. A preferred relationship of the audio and video bytes to each other is shown in FIG. 8. Incoming signals are input and converted in sequence, *starting with the first and ending with the last frame of the video data, and starting with the first and ending with the last sample of the audio data*. Time encoding by time encoder 114 is achieved by assigning relative time markers to *the audio and video data* as it passes from the converter 113 through the time encoder 114 to the precompression processor 115.
>
> * * *
>
> FIG. 8a shows the *block structure of video data* where a video frame 812 is composed of a plurality of video samples 811, and a second of video 813 is composed of a plurality of video frames 812.
>
> FIG. 8b shows the *block structure of audio data* where an audio data frame 822 is composed of a plurality of audio sample 821, and a second of audio 823 is composed of a plurality of audio data frames 822.

(‘992 patent, 8:7-16 and 19:39-47; emphasis added).

- The Round 3 defendants’ proposed construction for “sequence of addressable data blocks” would be inconsistent with the Court’s construction for “ordering means.” The Court previously construed the “ordering means for placing the formatted data into a sequence of addressable data blocks” of claim 1 of the ‘992 patent as a “time encoder.” The specification makes clear that the time encoder 114 is the structure for performing the function of placing the formatted data into sequence of addressable data blocks:

> The processing also preferably includes placing the retrieved information into a predetermined format as formatted data by converter 113 (step 413b), and placing the formatted data into a sequence of addressable data blocks by *ordering means 114* (step 413c).

(‘992 patent, 18:68 – 19:4; emphasis added).

Reference No. 114 is the time encoder: “After the retrieved information is converted and formatted by the converter 113, the information may be time encoded by *time encoder 114*.” (‘992 patent, 7:64-66; Figure 2a).

- The Round 3 defendants’ proposed construction for “sequence of addressable data blocks” would be inconsistent with the Round 3 defendants’ construction for “transmission system.” The Round 3 defendants seek reconsideration of the term “transmission system” and ask the Court to construe the “transmission system” as including a “time encoder.” In claim 41, the step of “placing the formatted data into a sequence of addressable data blocks” is performed by a transmission system, and if performed by the transmission system proposed by the Round 3 defendants, this step must be performed by the time encoder. A time encoder, however, would not create the type of “sequence of addressable data blocks,” as construed by the Round 3 defendants, because, among other things, the time encoder does not assign memory locations to the data blocks.

30. “Storing, as a File, the Compressed, Formatted, and Sequenced Data With the Assigned Unique Identification Code” (‘992 Patent, Claim 41)

Acacia	The phrase “storing, as a file, the compressed, formatted, and sequenced data with the assigned unique identification code” has already been construed by the Court to mean “storing, as a file, the compressed, formatted, and sequenced data blocks accompanied by its unique identification code.”

Round 3 Defendants	"storing, in a single file, both (1) the compressed, formatted, and sequenced data; and (2) the unique identification code assigned to (1).

The phrase "storing, as a file, the compressed, formatted, and sequenced data with the assigned unique identification code" appears in claim 41 of the '992 patent and claim 14 of the '863 patent.

In Markman I, the Court construed this phrase:

> The Court construes the phrase "storing, as a file, the compressed, formatted, and sequenced data blocks accompanied by its unique identification code" to mean "storing, as a file, the compressed, formatted, and sequenced data blocks accompanied by its unique identification code."

(Markman I, at 26:5-8).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of the phrase "storing, as a file, the compressed, formatted, and sequenced data with the assigned unique identification code," and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Round 3 defendants seek reconsideration of the Court's construction of this phrase and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to add the limitation to its construction that the unique identification code assigned to the compressed, formatted and sequenced data blocks is stored in the file. This limitation is not contained in the phrase "storing, as a fill, the compressed, formatted, and sequence data with the unique identification code" and the Court correctly did not include this limitation in its construction.

There is no requirement in the specification that the unique identification code is included in the file. The specification states that the file includes certain items, but specifically excludes the unique identification code from the file. The specification further states that the file is *addressable* using the unique identification code assigned to the data (it does not say that the unique identification code is stored in the file):

> The file may contain the compressed audio and/or video data, time markers, and the program notes. *The file is addressable through the unique identification code* assigned to the data by the identification encoder 112.
>
> * * *
>
> As described in more detail later, *a user may preferably access an item via its unique identification code*, via its title, or the user may use other known facts for accessing an item.

(‘992 patent, 10:26-30; 11:22-25).

There is no legal basis therefore to interpret the “storing as a file” phrase to include the limitation that the unique identification code be stored within the file as this would be inconsistent with the claim language and within the specification. See, *Renishaw*, 158 F.3d at 1250; *Medrad*, 401 F.3d at 1319; *Standard Oil*, 774 F.2d at 452; *Merck*, 347 F.3d at 452.

VIII. CONCLUSION

For the foregoing reasons, Acacia respectfully requests that the Court adopt Acacia’s proposed constructions for the terms of claims 14-19 of the ‘863 patent and claims 4, 7, 8, and 11 of the ‘720 patent and that the Court let stand its previous constructions for the phrases of the ‘992 patent for which the Round 3 defendants seek reconsideration.

DATED: July 21, 2006

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EXHIBIT H

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FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	CASE NO. 05 CV 01114 JW MDL No. 1665 **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S COMBINED REPLY IN SUPPORT OF ITS LEGAL MEMORANDUM RE THE DEFINITIONS OF CLAIM TERMS FROM THE '863 AND '720 PATENTS AND TERMS FROM THE '992 PATENT THAT THE COURT HAS ALREADY CONSTRUED** **DATE:** September 7-8, 2006 **TIME:** 10:00 a.m. **CTRM:** Hon. James Ware

TABLE OF CONTENTS

(Page)

I. INTRODUCTION 1

II. CLAIM 14 OF THE ‘863 PATENT 1

1. “Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location” and “Wherein the Transmitting Step Comprises” (‘863 Patent, Claim 14; ‘720 Patent, Claim 8) 1

a) The Term “Representing” is Definite 1

b) The Court Should Not Limit the “Complete Copy” to All of the Information for the Item Having Information 3

c) The Term “Central Processing Location” is Definite 4

d) Acacia Agrees with the Round 3 Defendants that the “Compressed, Digitized Data” is the “Compressed and Sequenced Addressable Data Blocks” Formed in the Formatting Steps. 8

2. “Inputting an Item Having Information Into the Transmission System” (‘863 Patent, Claim 14 and 17) 9

3. “Assigning a Unique Identification Code to the Item Having Information” (‘863 Patent, Claims 14 and 17) 9

4. “Formatting the Item Having Information as a Sequence of Addressable Data Blocks” (‘863 Patent, Claims 14 and 17) 11

5. “Receiving the Transmitted Compressed, Digitized Data Representing a Complete Copy of the at Least One Item of Audio/Video Information, at a Local Distribution System, Remote From the Central Processing Location” (‘863 Patent, Claims 14 and 17; ‘720 Patent, Claims 8 and 11) 11

6. “Storing the Received Compressed Digitized Data Representing the Complete Copy of the at Least One Item at the Local Distribution System” (‘863 Patent, Claims 14 and 17) 15

7. “In Response to the Stored Compressed, Digitized Data, Transmitting a Representation of the at Least One Item at a Real-Time Rate” (‘863 Patent, Claim 14, ‘720 Patent, Claim 8) 15

TABLE OF CONTENTS (cont'd)

(Page)

a) The Term "Representation" in Claim 14 of the '863 Patent is Definite. 15

b) The Phrase "In Response to the Stored Compressed, Digitized Data" Does not Mean that the Data "Triggers" the Transmission 16

8. "At Least One of a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 14) 17

9. "Decompressing the Compressed, Digitized Data Representing the at Least One Item of Audio/Video Information After the Transmission Step Wherein the Decompressing Step is Performed in the Local Distribution System to Produce the Representation of the at Least One Item For Transmission To The At Least One Subscriber Station" ('863 Patent, Claim 14) 20

III. CLAIM 15 OF THE '863 PATENT 22

10. "Wherein the Inputting Step Comprises Inputting the Item Having Information as Blocks of Digital Data" ('863 Patent, Claims 15, 18) 22

IV. CLAIM 16 OF THE '863 PATENT 21

11. "Wherein the Inputting Step Comprises Inputting the Item Having Information as an Analog Signal and Converting the Analog Signal to Blocks of Digital Data" ('863 Patent, Claims 16 and 19) 21

V. CLAIM 17 OF THE '863 PATENT 23

12. "Formatting Items of Audio/Video Information as Compressed Digitized Data at a Central Processing Location" and "Wherein the Formatting Step Comprises" ('863 Patent, Claim 17) 23

13. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" ('863 Patent, Claim 17) 24

14. "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item to at a Plurality of

TABLE OF CONTENTS (cont'd)

(Page)

Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 17) 23

a) The Term "Using" is Definite 23

b) The Phrase "to at a Plurality of Subscriber Receiving Stations" 26

15. Whether Each Step of Claims 14 and 17 of the 863 Patent and Claims 8 and 11 of the '720 Patent Begin and Occur Only After a Prior Step or Steps Have Been Completed. 26

VI. CLAIMS 4, 7, 8, AND 11 OF THE '720 PATENT.. 27

16. "Subscriber Selectable Receiving Stations" ('720 Patent, Claims 4, 8, and 11).. 27

17. "Means, Responsive to the Stored, Compressed Digitized Data, for Transmitting a Representation of the at Least One Item of Audio/Video Information at a Real-Time Rate to at Least One of the Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 4)... 27

18. "Means for Inputting Items of Audio/Video Information" ('720 Patent, Claim 7) 30

19. "Conversion Means for Placing Each Item of Audio Video Information Into a Predetermined Format as Formatted Data" ('720 Patent, Claim 7) 32

20. Transmitter Means for Sending Compressed Formatted Data for the at Least One Item of Audio/Video Information at the Non-Real Time Rate to the Reception System" ('720 Patent, Claim 7).. 34

21. ". . . Transmitting, Using a Transmitting Means, a Representation of the at Least One Item at a Real-Time Rate to at Least One of a Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 8) 35

VII. CLAIM TERMS FROM THE '992 PATENT THAT THE COURT HAS ALREADY CONSTRUED... 35

22. "Transmission System" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17)................... 35

HENNIGAN, BENNETT & DORMAN LLP
LAWYERS
LOS ANGELES, CALIFORNIA

TABLE OF CONTENTS (cont'd)

(Page)

a) The Court Did Not Find that the Patentees Disavowed the Ordinary Meaning of "Transmission System," as the Round 3 Defendants Contend 36

b) The Disclosure in the Specification of Only a Single Embodiment Does Not Limit the Claimed Invention to the Features Described in the Disclosed Embodiment 37

c) There is no Expression in the Specification or Prosecution History that the Patentees Intended to Limit "Transmission System" to the Embodiment in Figures 2a and 2b 41

d) The Term "Transmission System" is not Indefinite 46

e) Acacia Requests Reconsideration of the Court's Construction of "Transmission System" to Remove the "Reception System" from the Court's Construction 46

23. "Reception System" ('275 Patent, Claims 2 and 5) 47

24. "Storing Items Having Information in a Source Material Library" ('992 Patent, Claim 41) 48

a) The Court Construed the Term "Source Material Library" in Markman I to Mean "a Collection of Existing Materials" 48

b) The Round 3 Defendants Misquote the Specification 49

c) Nothing in the Specification or the Prosecution History Teaches that the Source Material Library is a "Jukebox-Like" Device 51

d) There is Written Description for the Method Step of "Storing Items Having Information in a Source Material Library" 53

e) Acacia Seeks Reconsideration of the Court's Construction of "Storing Items in a Source Material Library" So as to Conform the Meaning of "Storing" Throughout the Claims to Mean "Adding or Maintaining" 55

HENNIGAN, BENNETT & DORMAN LLP
LAWYERS
LOS ANGELES, CALIFORNIA

559263\v1

TABLE OF CONTENTS (cont'd)

(Page)

25. "Items Containing (or Having) Information" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17) ... 57
    a) The Court Should Not Limit the Phrase "Items Having Information to "Physical Objects" ... 57
    b) The Patent Specification is Enabled ... 59
26. "Remote Locations" ('992 Patent, Claim 41) ... 61
27. "Retrieving the Information in the Items from the Source Material Library" ('992 Patent, Claim 41) ... 62
    a) The '992 Patent is Enabled ... 64
28. "Assigning a Unique Identification Code to the Retrieved Information" ('992 Patent, Claim 41) ... 64
29. "Placing the Formatted Data into a Sequence of Addressable Data Blocks" ('992 Patent, Claim 41) ... 65
    a) The Court Has Construed the Phrase "Sequence of Addressable Data Blocks" ... 65
    b) The Phrase "Sequence of Addressable Data Blocks" Does not Have any Ordinary Meaning; the Patentees Acted as Their Own Lexicographers ... 66
    c) The Term "Addressable" in the Phrase "Sequence of Addressable Data Blocks" Does Not Refer to Addressability in the Compressed Data Library ... 67
    d) A "Data Block" is a Frame of Video or a Sample of Audio ... 71
    e) The Court Cannot *Infer* any Meaning to the Phrase "Sequence of Addressable Data Blocks" from the Examiner's Silence in the later-filed '863 Patent Prosecution History ... 73
    f) "Ordered Data Blocks" Means "Sequence of Addressable Data Blocks" ... 73

TABLE OF CONTENTS (cont'd)

(Page)

g) The Round 3 Defendants' Proposed Construction of the Phrase "Sequence of Addressable Data Blocks" is Improper 74

30. "Storing, as a File, the Compressed, Formatted, and Sequenced Data With the Assigned Unique Identification Code" ('992 Patent, Claim 41) 74

VIII. CONCLUSION 76

HENNIGAN, BENNETT & DORMAN LLP
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TABLE OF AUTHORITIES

(Page)

Cases

Altiris, Inc. v. Symantec Corp.
318 F.3d 1363 (Fed. Cir. 2003) 40

Anchor Wall Sys. v. Rockwood Retaining Walls, Inc.
340 F.3d 1298 (Fed. Cir. 2000) 51

Bancorp Servs., LLC v. Hartford Life Insurance Group Co.
359 F.3d 1367 (Fed. Cir. 1996) 20, 24, 31

Bell Atl. Network Servs., Inc. v. Covad Communications Group, Inc.
262 F.3d 1258 (Fed. Cir. 2001) 67

BJ Servs., Inc., v. Haliburton Energy Servs.
338 F.3d 1368 (Fed. Cir. 2003) 59

British Telecomms. PLC v. Prodigy Communis. Corp.
217 F.Supp. 2d 399 (S.D.N.Y. 2002) 6, 7

Brookhill-Wilk 1, LLC v. Intuitive Surgical, Inc.
334 F.3d 1294, (Fed. Cir. 2003) 40, 45

CCS Fitness v. Brunswick Corp.
288 F.3d 1359 (Fed. Cir. 2002) 38, 40, 41, 42

Conoco, Inc. v. Energy & Envtl. Int'l, L.C.,
__ F.3d ___, 2006 U.S. App. LEXIS 21036, at *16 (Fed. Cir. August 17, 2006) 38

Cordis Corp. v. Medtronic AVE, Inc.
339 F.3d 1352 (Fed. Cir. 2003) 53

DeMarini Sports, Inc. v. Worth, Inc.
239 F.3d 1314 (Fed. Cir. 2001) 73

Electro Medical Sys., S.A. v. Cooper Life Sciences
34 F.3d 1048 (Fed. Cir. 1994) 42, 62

Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.
279 F.3d 1022 (Fed. Cir. 2002) 9, 10, 22, 65

Ex Parte Henry A. Erlich and Linda J. Nyari
1986 Pat. App. LEXIS 13; 3 U.S.P.Q. 2d (BNA) 1011 23

Exxon Research and Eng'g Co. v. United States
265 F.3d 1371 (Fed. Cir. 2001) 26, 31

TABLE OF AUTHORITIES (cont'd)

(Page)

Fuji Photo Film Co. v. United States Int'l Trade Comm'n
386 F.3d 1095 (Fed. Cir. 2004) 40

Gart v. Logitech, Inc.
254 F.3d 1334 (Fed. Cir. 2001) 51, 73

Gemstar –TV Guide Int'l, Inc. v. United States Int'l Trade Comm'n
383 F.3d 1352 (Fed. Cir. 2004) 40

Genentech, Inc. v. The Wellcome Foundation Ltd.
29 F.3d 1555 (Fed. Cir. 1994) 71

Gillette Co. v. Energizer Holdings, Inc.
405 F.3d 1367 (Fed. Cir. 2005) 40, 44

Golight, Inc. v. Wal-Mart Stores, Inc.
355 F.3d 1327 (Fed. Cir. 2004) 40, 66

Harold Schoenhaus v. Genesco, Inc.
440 F.3d 1354 (Fed. Cir. 2006) 40

Hoganas AB v. Dresser Indus.
9 F.3d 948 (Fed. Cir. 1993) 29

In re Application of Koller
613 F.2d 819 (C.C.P.A. 1980) 55

In re Gardner
480 F.2d 879 (C.C.P.A. 1973) 54, 55

Inpro II Licensing, S.A.R.L. v. T-Mobile USA, Inc.
450 F.3d 1350 (Fed. Cir. 2006) 45

Irdeto Access, Inc. v. EchoStar Satellite Corp.
383 F.3d 1295 (Fed. Cir. 2004) 43

JVW Enters., Inc. v. Interact Accessories, Inc.
424 F.3d 1324 (Fed. Cir. 2005) 66

Kinzenbaw v. Case LLC
2006 U.S. App. LEXIS 10656 (Fed. Cir. 2006) 28

Leibel-Flarsheim Co. v. Medrad, Inc.
358 F.3d at 898 (Fed. Cir. 2004) 22, 39, 40, 45

Lockheed Martin Corp. v. Space Systems/Loral, Inc.,
324 F.3d 1308 (Fed. Cir. 2003) 29

TABLE OF AUTHORITIES (cont'd)

(Page)

Medrad, Inc. v. MRI Devices Corp.
401 F.3d 1313 (Fed. Cir. 2005) 17, 57

Merck & Co. v. Teva Pharms. USA, Inc.
347 F.3d 1367 (Fed. Cir. 2003) 17

Micro Chemical, Inc. v. Great Plains Chemical Co.,
194 F.3d 1250 (Fed. Cir. 1999) .... passim

Miles Lab. v. Shandon, Inc.
997 F.2d 870 (Fed. Cir. 1993) 46

Modine Mfg. Co. v. United States, Int'l Trade Comm'n
75 F.3d 1545 (Fed. Cir. 1996) 45

Network Commerce, Inc. v. Microsoft Corp.,
422 F.3d 1353 (Fed. Cir. 2005) 19

Northern Telecom, Inc. v. Datapoint Corp.
908 F.2d 931 (Fed. Cir. 1990) 61

Novartis Pharms. Corp. v. Abbott Labs.
375 F.3d 1328 (Fed. Cir. 2004) 67

Novo Indus., L.P. v. Micro Molds Corp.
350 F.3d 1348 (Fed. Cir. 2003) 25

Personalized Media Communis., LLC v. United States Int'l Trade Comm'n
161 F.3d 696 (Fed. Cir. 1998) 64

Phillips v. AWH Corp.
415 F.3d 1303 (Fed. Cir. 2005) .... passim

Pitney Bowes, Inc. v. Hewlett-Packard Co.
182 F.3d 1298 (Fed. Cir. 1999) 41, 71

Prima Tek II, LLC v. Polypap
318 F.3d 1143 (Fed. Cir. 2003) 5, 9, 51

Renishaw, PLC v. Marposs Societa' per Azioni
158 F.3d 1243 (Fed. Cir. 1998) 57

Resonate, Inc. v. Alteon Websystems, Inc.
338 F.3d 1360 (Fed. Cir. 2003) .... passim

Rexnord Corp. v. Laitram Corp.,
274 F.3d 1336, 60 USPQ2d 1851 (Fed. Cir. 2001) 42, 43, 45

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LAWYERS
LOS ANGELES, CALIFORNIA

TABLE OF AUTHORITIES (cont'd)

(Page)

S3, Inc. v. nVidia Corp.
259 F.3d 1364 (Fed. Cir. 2001) 31

Seal-Flex, Inc. v. Athletic Track & Court Constr.
172 F.3rd 836 (Fed. Cir. 1999) 28

Smithkline Beechham Corp. v. Apotex Corp.
403 F.3d 1331 (Fed. Cir. 2005) 46

SRI Int'l. v. Matsushita Elec. Corp. of America
775 F.2d 1107 (Fed. Cir. 1985) 5, 22, 42, 44

Standard Oil Co. v. American Cyanamid Co.
774 F.2d 448 (Fed. Cir. 1985) 17

Teleflex, Inc. v. Ficosa N. Am. Corp.
299 F.3d 1313 (Fed. Cir. 2002) .... passim

TI Group Auto. Sys. v. VDO N. A., LLC
375 F.3d 1126 (Fed. Cir. 2004) 51

Toro Co. v. White Consol. Indus.
199 F.3d 1295 (Fed.Cir. 1999) 45

Transclean Corp. v. Bridgewood Servs., Inc.,
290 F.3d 1364 (Fed. Cir. 2002) 28

Union Oil Co. v. Atlantic Richfield Co.
208 F.3d 989 (Fed. Cir. 2000) 54

Wang Labs., Inc. v. America Online, Inc.
197 F.3d 1377 (Fed. Cir. 1999) 45

Statutes

35 U.S.C. § 112 .... 41, 46, 65

35 U.S.C. § 112(6) 31, 33

35 U.S.C. § 254 26

35 U.S.C. § 255 26

TABLE OF AUTHORITIES (cont'd)

(Page)

Periodicals

Television Engineering Handbook
(1992) at 9.9 and Figure 9-2 (1982) 7

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I. INTRODUCTION

Acacia hereby responds to the defendants' legal briefs regarding the claim terms from the '863 patent, the '720 patent, and the reconsideration terms from the '992 patent.

Although various of the defendant groups contend that certain of the claim terms from the '863 and '720 patents are indefinite, there is no term from any patent for which all of the defendant groups contend is indefinite. Thus, looking at the totality of the defendants' submissions alone, there is an available construction for each claim term in these patents and no claim term is "insolubly ambiguous" or indefinite.

The Round 3 defendants seek reconsideration of many of the claim terms from claim 41 of the '992 patent which the Court construed in its Markman I Order. In each case, the Round 3 defendants invite the Court to commit legal error by importing all of the limitations from the specification, and some not even stated in the specification, into the claims. The Federal Circuit has repeatedly rejected the same reasoning offered by the Round 3 defendants here. With two minor exceptions, described herein, the Court should let stand its prior constructions for these terms.

II. CLAIM 14 OF THE '863 PATENT

1. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" and "Wherein the Transmitting Step Comprises" ('863 Patent, Claim 14; '720 Patent, Claim 8)

a) The Term "Representing" is Definite

Acacia contends that the term "representing" in this phrase of claim 14 of the '863 patent means a "reproduction," i.e., the compressed, digitized data that is transmitted is a "reproduction of" the at least one item of audio/video information; it is not the at least one item of audio/video information.[1]

The Round 3 defendants do not offer a separate construction for the term "representing" and do not contend that this term is indefinite in this phrase or in any other phrase in this claim or in any other claim in which it is used.

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[1] Acacia also contends that the term "representation" as used elsewhere in claim 14 and in claim 17 of the '863 patent and as used in claims 4, 6, 8, and 11 of the '720 patent means "reproduction."

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Round 2 satellite defendants start their analysis by consulting three dictionary definitions for "represent" and "representation." They then make the improper assumption that all of the possible definitions for these terms could apply to the term "representing" as used in the claims and therefore conclude that there is no boundary as to the meaning of "representing." (Round 2 Satellite defendants' Opposition, at 18:1-4). This approach to claim construction, which ignores the context of the claims and the specification, has been rejected by the Federal Circuit. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1321 (Fed. Cir. 2005) ("The problem is that if the district court starts with the broad dictionary definition in every case and fails to fully appreciate how the specification implicitly limits that definition, the error will systematically cause the construction of the claim to be unduly expansive. The risk of systematic overbreadth is greatly reduced if the court instead focuses at the outset on how the patentee used the claim term in the claims, specification, and prosecution history, rather than starting with a broad definition and whittling it down.")

The Round 2 satellite defendants also contend that there is no disclosure in the specification of an embodiment wherein data "representing" a complete copy of an item is transmitted from the central processing location to a local distribution system or where a "representation" of the item is transmitted from the local distribution system to a user's location. (Round 2 satellite defendants' Opposition, at 19:12-16). This is not the case. Throughout the specification, the patentees describe the process wherein uncompressed "items" are compressed to create compressed data, which may be stored as a file in a compressed data library. (*See*, e.g., '863 patent, 5:63 – 10:36). The file comprising the compressed data "represents" the item, i.e., it is not the item in its original, uncompressed format; it is a *reproduction* of the uncompressed item in a compressed format. This process is also illustrated in the examples provided in the specification of a cable television system, which is an example of a transmission from a central processing location to a local distribution system and then to a user's location.[2] (*See, e.g.*, '863 patent, 4:13 – 5:29; Figures 1d-1g).

The examples from the specification referred to by the Round 2 satellite defendants are not

[2] The specification also describes how, before transmission, the compressed data is converted using the transmission data converter 119 and this converted data is transmitted. ('863 patent, 15:13 – 28; See also, Figure 2b).

applicable to the claims-at-issue. In the claims, compressed, digitized data is formed from an item having information. This compressed, digitized data is not the item; it is compressed, digitized data which is a "representation" (i.e., a reproduction) of the information. This is shown in the Round 2 satellite defendants' example from claim 17 of the '863 patent. (Round 2 satellite defendants' Opposition, at 18:5 – 19:10. So-called "data set (1)" is the item of audio/video information, which in claim 17 is not in the correct format for transmission from the central processing location to the local distribution system. Thus, the information undergoes the formatting steps, wherein it becomes so-called "data set (2)" (distinct from "data set (1)"), i.e., the compressed, digitized data representing the complete copy of at least one item of audio/video information.

In spite of the clear language of the claim that it is the compressed, digitized data that represents a complete copy of the item, the Round 2 satellite defendants argue that "[i]t is unclear whether this representation is itself a complete copy, a symbol of a complete copy, or an encoded or decoded version of a complete copy." (Round 2 satellite defendants' Opposition, at 18:26 – 19:10). The language of the claim itself makes clear that it is the compressed, digitized data that is transmitted, not a symbol or the uncompressed item itself.

Acacia will address the Round 2 satellite defendants' contentions regarding "representation" in Section No. 7, *infra*.

b) The Court Should Not Limit the "Complete Copy" to All of the Information for the Item Having Information

The Round 3 defendants contend that the phrase "a complete copy of at least one item of audio/video information" means "a copy of all of the audio/visual information contained on the at least one physical object."[3] Acacia contends that there is no such limitation in the claims, nor should one be added through claim construction.

The Round 3 defendants state that Acacia does not dispute that the "item" in the phrase "representing a complete copy of at least one item" is the "item containing information." (Round 3 defendants' Opposition, at 58:24 – 59:2). Acacia does dispute this. Neither the "at least one item of

[3] Acacia objects to construing the item as a "physical object." Acacia shall address the Round 3 defendants' contentions re "physical object" in Section No. 25, *infra*.

audio/video information" nor the "item having information" relies on the other for its antecedent basis. Claim 14 uses the phrases: "at least one item of audio/video information" and "inputting an item having information." The two phrases are not the same.

Further, there is no limitation in the claims or in the specification that the "item having information" that is input into the transmission system has only *one* item of audio/video information; it could have one or more than one "item of audio/video information," i.e., it may have one movie, two movies, or one movie with multiple scenes, wherein each scene is itself an "item of audio/video information." Nothing in the claims or in the patent specification requires that an "item" comprise any specific number of frames, any specific length or time, or be a complete movie, rather than, for example, a scene from a movie.

The Round 3 defendants further contend that if the "at least one item of audio/video information" were not the "item having information," then the "complete copy" limitation would be indefinite. The Round 3 defendants ignore the fact that the "complete copy" limitation appears elsewhere in the claim and has meaning even if the "at least one item of audio/video information" was not the entire "item having information." This is because the claim also states that the complete copy that is transmitted is also received and stored in the local distribution system. Thus, "complete copy" has meaning to ensure that all of what is transmitted from the central processing location is received and stored at the local distribution system.

Additionally, claim 14 states that what is being sent is "at least a portion of the file [having the compressed, formatted, and sequenced data blocks]" and "at least one item of audio/video information." Thus, "at least one item of audio/video information" may not even be the entire file.

The Round 3 defendants also contend that "one frame" could be an item. This is impossible, because one frame of video is a still image and the claim limits the "at least one item of audio/video information" to *video* information. Video information requires motion and thereby requires that there be more than one frame.

c) The Term "Central Processing Location" is Definite

Acacia contends that the term "central processing location" means "the principal site or location where processing occurs."

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The Round 3 defendants contend that the "central processing location" is the location at which all of the processing is exclusively performed, i.e., there can be one *and only one* processing location for two or more remote units (i.e., local distribution systems). As support, the Round 3 defendants refer to something called "centralized processing" and distinguish it from "decentralized processing," both of which refer to computer processing facilities (i.e., the location where computer processing functions are performed). (Round 3 defendants' Opposition, at 54:12-22). But, the '863 patent does not claim or relate to centralized processing or to computer processing. Rather, the '863 patent claims use the term "central processing location" to refer to the location where the transmission system is located and thus the location where the formatting of audio/video information (i.e., the processing) occurs.

The Round 3 defendants contend that their construction is "consistent" with the specification, which depicts a transmission system as the "hub" and the reception systems as the "spokes" in a hub-and-spoke architecture, referring only to Figures 1b and 1c as support. The Round 3 defendants are attempting to rewrite these claims so as to import Figures 1b and 1c into the claims as limitations. This, of course, would be improper. *See, Prima Tek II, LLC v. Polypap*, 318 F.3d 1143, 1148-49 (Fed. Cir. 2003) ("Similarly, the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration.") The Round 3 defendants do not attempt to distinguish or even address any of the cases cited by Acacia in its opening brief which hold that the Court cannot import limitations from the specification into the claims. Instead, without any legal support whatsoever, the Round 3 defendants merely state that the claims should be limited to these embodiments of the specification.

The Round 3 defendants further contend that "there is no disclosure of a reception system which communicates with more than one transmission system, and there is no disclosure of a reception system that does not receive information directly from a transmission system." (Round 3 defendants' Opposition, at 56:12-14). As a matter of law, the '863 patent is not limited to the embodiments depicted in the specification – in other words, Acacia's claims may be broader than the embodiments depicted in the specification. *See, SRI Int'l. v. Matsushita Elec. Corp. of America*, 775 F.2d 1107, 1121 (Fed. Cir. 1985) (*en banc*) ("If everything in the specification were required to read into the claims, or if structural claims were to be limited to devices operated precisely as a specification-described embodiment is operated, there would be no need for claims. Nor could an applicant, regardless of the prior art, claim more broadly than that embodiment.”)[4]

The ‘863 patent specification does not state that a local distribution system must only communicate with one transmission system or that a local distribution system must only receive information from only one transmission system. Indeed, the ‘863 patent inherently discloses to persons of ordinary skill in the art that a local distribution system can communicate with more than one transmission system and that a local distribution system can receive information from more than one transmission system. This is because the specification discloses that the invention may be embodied in a cable television system. (‘863 patent, 4:13-50; Figures 1d-1f). It was well-known to persons of ordinary skill in the art in 1991 that, in a cable television system, a local distribution system can communicate with more than one transmission system and that a local distribution system can receive information from more than one transmission system. This was clearly demonstrated in the *Television Engineering Handbook*, (1992) at 9.9 and Figure 9-2 (1982), which shows a cable head receiving programming from a number of different sources. (Exhibit 12 to Block Suppl. Decl.)

The Round 3 defendants do not address the fact that their proposed construction would also be contrary to the open-ended transitional phrase “comprising,” used in the claims. As Acacia described in its opening brief, this transitional phrase means that the claims do not preclude a local distribution system which can communicate with more than one transmission system and a local distribution system which can receive information from more than one transmission system.

The Round 3 defendants further rely on *British Telecomms. PLC v. Prodigy Communis. Corp., 217 F.Supp. 2d 399, 410 (S.D.N.Y. 2002)*. In *British Telecommunications*, the court

[4] Although the Round 2 defendants contend that the term “central processing location” is indefinite, they also contend that, if definite, the “central processing location” should be limited to “a single location at which all of the audio and video information to be received by the local distribution system is formatted and compressed, digitized data and transmitted.” (Round 2 satellite defendants’ Opposition, at 7:6-23). The Round 2 satellite defendants make essentially the same arguments as do the Round 3 defendants, and thus Acacia will not separately address the Round 2 satellite defendants’ contentions here.

construed the term "central computer." This is distinguished from the present case where the term at issue is a transmission system at a "central processing location." The court in *British Telecomms.* specifically stated that its ruling was limited to "central computers," and did not apply to "systems:"

> The cornerstone of this argument is BT's assertion that a central computer is not limited to a single computer as a matter of law. To support its position, BT quotes a statement I made in *TM Patents, L.P. v. Int'l Business Machines Corp.*, 72 F. Supp. 2d 370, 380 (S.D.N.Y. 1999) while construing the claim term "a multi-unit memory system:"
>
>> Of course, the fact that the patent claims 'a' system does not mean that IBM or some other party would escape liability for infringement by constructing two or three or even more such multi-unit memory systems and somehow linking them together or causing them to operate together.
>
> *Id*. at 380. The flaw in BT's cornerstone argument is obvious. Not only was I not construing the Sargent patent in *TM*, I was not even construing the term "central computer" when I wrote those words. I was construing the word "system." n3 A system is not the same thing as a computer, and I never said that it was. A computer, according to the dictionary, is "a device that receives, processes and presents data," *Dictionary of Scientific and Technical Terms* 342 (Sybil P. Parker ed., McGraw Hill 3d ed. 1984), while a system is "a combination of several pieces of equipment integrated to perform a specific function" or "a group of related structures." *Id.* at 1600. Thus, the word "system" fairly implies multiple devices connected together. The Sargent patent does indeed cover a system, one that includes a central computer as one of its elements. BT conflates the system with the computer. But I made it clear in the Markman opinion (as the Sargent patent claims make clear) that the computer is but one component of the system.

British Telecomms., 217 F.Supp.2d at 410-411.

The Round 3 defendants further contend that, although the claim only requires that the central processing location send information to one local distribution system, it is "inherent" in the term "central processing location" itself that the central processing location serve "two or more remote locations" in a hub-and-spoke fashion. (Round 3 defendants' Opposition, at 55, n. 28). The Round 3 defendants provide no support for this position, and therefore the Court should not adopt their construction.

The Round 3 defendants and the Round 2 satellite defendants further contend that, if the Court adopts Acacia's construction, then the term "central processing location" will be indefinite, because a potential infringer would have no way of ascertaining which "'processing' has to be principally performed at the 'central processing location' or what percentage of that processing has to be done at a location for it to be the 'principal' processing location." (*See*, Round 3 defendants' Opposition, at 58:14-18). But, the claims are clear that all of the formatting steps of the claims must occur at the central processing location and that the transmission system is located at the central processing location. This is part of Acacia and the Round 3 defendants' proposed constructions. The "central processing location" refers to the location at which the formatting steps that are listed in the claim are performed. Other, non-primary processing (not recited in the claims) may occur at locations other than the central processing location. This is relevant in the claims, because the specification describes the transmission system as being capable of being spread over a plurality of facilities ('863 patent, 5:58-60) and describes elements of the transmission system as being at different locations, for example: multiple source material libraries located at different geographic locations ('863 patent, 6:19-29); the item database located in different locations ('863 patent, 11:26-29); and multiple remote order processing and item databases at different locations ('863 patent, 11:47-51).

The Round 2 satellite defendants further contend that the term "central" has to refer to a "center," by relying the dictionary definition referenced by Acacia. Although the Round 2 satellite defendants purport to quote the dictionary definition, they exclude the portion of the definition referred to by Acacia: "basic, essential, principal, dominant: not peripheral or incidental." It is not surprising that the Round 2 Satellite defendants reach a ridiculous result, since they start with an unrelated dictionary definition.

d) Acacia Agrees with the Round 3 Defendants that the "Compressed, Digitized Data" is the "Compressed and Sequenced Addressable Data Blocks" Formed in the Formatting Steps.

The Round 3 defendants point out that Acacia did not address the Round 3 defendants' proposed construction for "compressed, digitized data" as "the compressed and sequenced addressable data blocks." Acacia agrees with the Round 3 defendants, except that, in claim 14, the compressed and sequenced data blocks," came from the "at least a portion of the file."

2. "Inputting an Item Having Information Into the Transmission System" ('863 Patent, Claim 14 and 17)

Acacia contends that the "inputting" phrase simply means "the act of providing an item having information to the transmission system."

The Round 2 defendants contend in the Joint Claim Chart that this phrase is indefinite, however, they do not address this phrase in their Opposition.

The Round 3 defendants' proposed construction for this phrase is similar to Acacia's, except that the Round 3 defendants add the limitation that the "item having information" is a "physical object," which Acacia has addressed in Section 25.a., *infra*, and add the limitation that the item is input to the "source material library." The Round 3 defendants ignore the case law, cited in Acacia's brief, which holds that, to interpret the "inputting" phrase in a method claim to include structure (the source material library) that is not stated in the claim, would improperly import a limitation from the specification. *See*, *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1032 (Fed. Cir. 2002).

The Round 3 defendants do not cite any cases which hold that, under these circumstances, a structural limitation from the specification can be imported into a method claim, where no structure is recited. Instead, they merely point to Figure 2 of the patent as proof that the item must only be input to the source material library. *See*, *Prima Tek*, 318 F.3d at 1148-49 ("Similarly, the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration.") It would be improper, as a matter of law, to import the "source material library" limitation into this claim phrase. *See, e.g.*, *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1327 (Fed. Cir. 2002); *Resonate, Inc. v. Alteon Websystems, Inc.*, 338 F.3d 1360, 1365 (Fed. Cir. 2003) ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

3. "Assigning a Unique Identification Code to the Item Having Information" ('863 Patent, Claims 14 and 17)

Acacia contends that the "assigning" phrase means that a unique identification code (one-of-a-kind identifier) is assigned to the item having information and that the unique identification code identifies the information through the rest of the formatting steps so that, in claim 14, the compressed data is stored in a file with the unique identification code. There is no provision in claim 17 for storing the compressed data with the unique identification code.

Both groups of defendants dispute the portion of Acacia's construction which states that the unique identification code identifies the information through the rest of the formatting steps. Acacia added this language for consistency with the Court's prior construction in Markman I of the similar phrase in the claims of the '992 patent. However, in view of the defendants' arguments, Acacia is willing to revise its construction as follows:

> The phrase "assigning a unique identification code to the item having information" means "assigning a one-of-a-kind identifier to the item having information."

The Round 3 defendants contend that the construction of the "assigning" phrase, which describes an act, but does not describe the structure used to perform the act, must be re-written to include the limitation that the act of assigning a unique identification code may only be performed using an "identification encoder." Again, the Round 3 defendants rely solely on a embodiment that is in the specification, but is *not* in the claim.[5] Defendants do not distinguish or even address the cases cited by Acacia in which the Federal Circuit has held that importing limitations from the specification would be legal error and do not cite any cases which would permit the court to import such structural limitations into a method claim. The Round 3 defendants are thus inviting the Court to commit legal error if it were to adopt their construction. *See, e.g., Teleflex, Inc.*, 299 F.3d at 1327; *Epcon Gas*, 279 F.3d at 1032; *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

The Round 3 defendants further contend that the identification encoder, which the Round 3 defendants seek to add to this claim step, must not only assign a unique identification code, it must also ascertain whether the information in the item is already in analog or digital format, and, if it is not, convert the information into an analog or digital format. None of these acts are included in the

[5] In its Markman II Order, the Court held that adding the method steps of claim 41 recite acts, not structures, and therefore the phrase "assigning a unique identification code" did not require an identification encoder. (Markman II, at 16:10-17).

claim and it would be legal error to include these limitations in the claims. Further, as discussed in more detail in Section No. 27, nothing in the specification even requires or even states or suggests that these acts be performed by the identification encoder.

4. "Formatting the Item Having Information as a Sequence of Addressable Data Blocks" ('863 Patent, Claims 14 and 17)

Acacia contends that the "formatting" step should be interpreted to mean the "act of converting the format of the information from the item and placing the formatted information into time encoded data blocks."

The Round 2 satellite defendants only dispute the fact that Acacia's construction interprets the "sequence of addressable data blocks," consistent with the Court's construction, to mean time encoded data blocks. Acacia addressed the Round 2 satellite defendants' contentions regarding the meaning of "sequence of addressable data blocks" during the prior Markman briefing and hearing on June 14, 2006.

The Round 3 defendants contend that the "item" is limited to a "physical object"[6] and that it is "operated on" to convert the information stored on the physical object into a sequence of addressable data blocks. The Round 3 defendants are incorrect to construe the item having information as a "physical object" and are incorrect to state that the "physical object is operated on."

5. "Receiving the Transmitted Compressed, Digitized Data Representing a Complete Copy of the at Least One Item of Audio/Video Information, at a Local Distribution System, Remote From the Central Processing Location" ('863 Patent, Claims 14 and 17; '720 Patent, Claims 8 and 11)

After further reviewing its construction for "local distribution system" and in view of the defendants' arguments regarding "local distribution system," Acacia hereby revises its proposed construction for "local distribution system" to: (1) provide a construction for "local distribution system" which is the same for claims 14 and 17 of the '863 patent and claims 8 and 11 of the '720 patent, but takes into account the differences in the context in which the "local distribution system" appears in these claims, and (2) to include language relating to the fact that the "local distribution system" only transmits information within a "specific geographic region:"

---

[6] Acacia disputes construing the item as a "physical object."

> The term "local distribution system" in claims 14 and 17 of the '863 patent and claims 8 and 11 of the '720 patent means "an assembly of elements, hardware and software that function together to distribute, i.e., transmit, information within a specific geographic region."
>
> In the context of claim 14, the "local distribution system" receives transmitted data, stores the data, decompresses the data, and transmits the data to at least one subscriber receiving station.
>
> In the context of claim 17, the "local distribution system" receives transmitted data, stores the data, and transmits the data to a plurality of subscriber receiving stations.
>
> In the context of claims 8 and 11, the "local distribution system" receives transmitted data, stores the data, and transmits the data to at least one of a plurality of subscriber selectable receiving stations

Neither the Round 3 defendants nor the Round 2 satellite defendants believe that the term "local distribution system" is indefinite. The Round 3 defendants agree with Acacia's original construction. (Round 3 defendants' Opposition, at 70:1-8). Only the Round 2 cable defendants contend that the term "local distribution system" is indefinite.

The Round 2 satellite defendants contend that the construction for "local distribution system" must include the limitation that the "local distribution system" not only transmit to a "local geographic region," but it must also be located in the "local geographic region." The limitation that the "local distribution system" itself be *located* in the geographic region is not contained in the claim or in the meaning of local distribution system, and therefore the Court should not include this limitation in the construction.

The Round 2 satellite defendants further contend that that the "local distribution system" is analogous to a cable head end and therefore it serves discrete geographic areas. Acacia agrees that the "local distribution system" must only serve discrete geographic areas. The Round 2 satellite defendants, however, also contend that the discrete geographic area must be limited to "the size of a city or a town." (Round 2 satellite defendants' Opposition, at 12:7-10).

Acacia disagrees with a construction which limits the "local" geographic area to "the size of a city of town." Instead, the geographic area need only be a specific geographic area. In the context of these patents and these claims, which relate not only to cable television systems, but also to

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broadcast television and satellite television systems,[7] the term "local" would have been understood by persons of ordinary skill in the art to mean not only the geographic area served by a cable head end, but also to mean the geographic area wherein a broadcast signal (whether broadcast television or satellite) can be received over-the-air. For example, a resident of Los Angeles is capable of receiving her "local" broadcast television stations over the air. She cannot receive a broadcast of a San Francisco television station over the air, and thus she does not live within the specific geographic area within which the San Francisco television stations broadcast. Thus, the Los Angeles resident's "local" television stations are the Los Angeles broadcast stations, not the San Francisco broadcast stations.

The Round 2 cable defendants contend that the term "local distribution system" is indefinite. These defendants contend that the term "local distribution system" cannot mean the same thing as the terms "cable head end," "intermediate storage device," or "reception system" – similar terms which are also used in the patent claims. These terms do not have the same meaning as "local distribution system:"

- "Local distribution system" does not mean the same thing as "cable head end," because a "cable head end" is limited to cable transmissions, whereas a "local distribution system" is not limited to cable transmissions. A "local distribution system" encompass operation with broadcast transmission, such as television transmissions or satellite transmissions, or computer networks, which are communication channels that are described in the specification.
- "Local distribution system" does not mean the same thing as "intermediate storage device," because an "intermediate storage device" is limited to a storage device; it performs no distribution functions and is not a system which is embodied in an assembly of elements, software and hardware, as is the "local distribution system."
- "Local distribution system" does not mean the same thing as "reception system,"

[7] Claims 14 and 17 do not specify the communication channel, and therefore, consistent with the specification, these claims could cover cable television as well as broadcast and satellite television. (*See*, *e.g.*, '863 patent, 4:51-61).

> because a "reception system" is interpreted as "an assembly of elements, hardware and software, that function together to receive information. "Local distribution system" is interpreted as "an assembly of elements, hardware and software, that function together to distribute, i.e., transmit, information."

The Round 2 cable defendants further contend that the term "local" is indefinite, because "local" could have a variety of meanings. As discussed above, "local" would have been understood by persons of ordinary skill in the art to refer to the geographic coverage of a cable head end system or the over-the-air signal of a television or a satellite broadcast. Each of these geographic areas are limited and therefore define what is meant by "local." Taking defendants' examples, if a cable head end serves Paducah, Kentucky, plus some defined area outside the Paducah city limits, then this cable head end would not be a "local distribution system," because it serves more subscribers than merely those living within the Paducah city limits. This cable head end would, however, be included in Acacia's construction. Similarly, over-the-air broadcasts from a television transmitter may be received by residents of Paducah *and* residents living outside the Paducah city limits. According to Acacia's construction, a resident who lives outside the Paducah city limits, but nevertheless can receive the over-the-air signal of Paducah's television station, is within the "local" geographic area for that local distribution system (i.e., television station). A resident of Los Angeles, for example, would be unable to receive the over-the-air signal from the Paducah television station, and therefore Los Angeles would not be part of Paducah's local distribution system's geographic area.

The Round 2 cable defendants further contend that Acacia's construction for "local distribution system" is largely functional. Acacia's past and present definition specifically states that the "local distribution system" is "an assembly of elements, hardware and software, . . ." This is hardly a "functional" definition. It is also similar to the Court's prior construction for "system" in other similar contexts, such as "transmission system" and "reception system."

The Round 2 defendants further contend that prosecution history supports their construction, because of statements regarding *Tindell*. In *Tindell*, a Central Data Facility 10 communicates with a Receiving Unit 16 by way of a Telephone Network 12. See *Tindell* Fig. 1. There is no local distribution system, with storage etc. as specified in the various claims, interposed between the

Receiving Unit and the Central Data Facility of *Tindell*. Thus, the statements regarding *Tindell* do not evidence a disavowal that the term "local" in "local distribution system" is limited to a city or a town.

6. "Storing the Received Compressed Digitized Data Representing the Complete Copy of the at Least One Item at the Local Distribution System" ('863 Patent, Claims 14 and 17)

The Round 3 defendants have revised their construction of this phrase to remove the limitation that the data is in the "same storage device." Thus, there no longer appears to be any dispute between the parties with respect to this phrase.

7. "In Response to the Stored Compressed, Digitized Data, Transmitting a Representation of the at Least One Item at a Real-Time Rate" ('863 Patent, Claim 14, '720 Patent, Claim 8)

a) The Term "Representation" in Claim 14 of the '863 Patent is Definite.

Acacia contends that the term "representation" in claim 14 of the '863 patent refers to a reproduction in a decompressed format of the compressed digitized data representing at least one item of audio/video information. This is evident from claim 14 itself, which states the act of "decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step . . . to produce the representation of the at least one item for transmission to the at least one subscriber station."

The Round 3 defendants do not offer a separate construction for the term "representation." In the Joint Claim Chart, the Round 3 defendants do not contend that the term "representation" is indefinite, however, in their Opposition, when discussing the "decompressing" step, they state that the term "representation" is indefinite, but then state in their brief that the description of "decompressing" in claim 14 "may save the term." (Round 3 defendants' Opposition, at 74:21 – 75:11). Acacia will therefore presume that the Round 3 defendants do not contend that the term "representation" is indefinite.

The Round 2 satellite defendants contend that the term "representation" is indefinite. (*See,* Round 2 satellite defendants' Opposition, at 20:19 – 21:5). Specifically, the Round 2 satellite defendants contend that claim 14 does not "define the content of the representation. Is a representation a complete digitalization of the entire work, or just an abridgement, symbol or rendition?" (Round 2 satellite defendants' Opposition, at 21:2-3). Claim 14 does define the content of the representation – it is the complete copy of the at least one item of audio/video information. This complete copy is formatted in the formatting steps to create the compressed, digitized data which represents the complete copy of the at least one item of the audio/video information. This compressed, digitized data (all of it, not a symbol, not an abridgement, and not a rendition) is later decompressed to create the representation of the at least one item of audio/video information that is transmitted to the at least one subscriber receiving station.

b) The Phrase "In Response to the Stored Compressed, Digitized Data" Does not Mean that the Data "Triggers" the Transmission

Acacia contends that the phrase "in response to the stored compressed, digitized data" means that the representation of the at least one item of audio/video information is not transmitted until after all of the compressed data has been received at the local distribution system and stored there.

Both groups of defendants contend that this phrase means that the data itself "triggers" the local distribution system to transmit the information. The Round 2 satellite defendants do not refer to the specification for support for data "triggering" the transmission.

The Round 3 defendants refer to the "buffer"[8] example from the specification, which Acacia relies upon. In this portion of the specification, the patentees state that "the reception systems 200 [of Figures 1a-1g] may either buffer the requested data for later viewing . . ." ('863 patent, 4:66-67). The Round 3 defendants contend that the only way for this embodiment to work would be for the user to include, with their request, a time at which playback should occur, and therefore there is information in the data which tells the local distribution system when to play the data to the user. (Round 3 defendants' Opposition, at 72:8-12). The specification is not limited in the manner described by the Round 3 defendants. There is no requirement described in the specification that the user *must* include a playback time with their request or that, if a playback time is required, there is information in the data which "triggers" the transmission. Instead, the specification states that

[8] Here, the word "buffer" is used in the specification to describe storing the data before it is transmitted.

selecting the playback time in the request is merely *optional*. ('863 patent, 5:8-12). Indeed, when referring to the "buffer" embodiment, the patent teaches that the data can be stored for playback "at a time of their choosing." ('863 patent, 5:19-29). Viewing at a time of the user's choosing is different than including a playback time in the initial request, because the specification states that the user can view the *requested* material *after* it has been stored "*at a time of their choosing*:"

> A reception system with such storage is capable of storing several requested items for future playback. The user could then view and/or record a copy of the decompressed requested material in real time, or compressed in non-real time, at a time of their choosing.

('863 patent, 5:22-27).

To construe the phrase "in response to" to mean "triggers" would be inconsistent with the specification and therefore the Court would commit legal error if were to limit this phrase to "triggers." *See, Medrad, Inc. v. MRI Devices Corp.*, 401 F.3d 1313, 1319 (Fed. Cir. 2005) ("We cannot look at the ordinary meaning of the term … in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history."); *Standard Oil Co. v. American Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985) ("the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Merck & Co. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1371 (Fed. Cir. 2003) ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.")

8. "At Least One of a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 14)

Acacia contends that the "subscriber receiving station" is "a subscriber's assembly of elements, hardware and software, capable of functioning together to receive a representation of an item of audio/video information."

The Round 3 defendants contend that the "subscriber receiving station" is a subscriber device on which playback occurs, i.e., it is a playback device. The Round 3 defendants contend that Acacia's construction, which would include systems, such as those in Figure 6 having capabilities such as decompression and storage, is improper, because there is no disclosure in the specification of one "reception system" transmitting to another "reception system." (Round 3 defendants' Opposition, at 73:15-21 and 74:1-3).

This is not the case; the specification does describe an embodiment in which one "Figure 6" system transmits to another "Figure 6" system. The '863 patent describes an embodiment of the invention referred to as a "non-direct connection reception system," which is depicted in Figure 1f. In the non-direct connection reception system embodiment, the reception system 200' includes a storage device. The local distribution system of claims 14 and 17 performs the act of storing, and therefore the reception system 200' of the non-direct connection reception system is analogous to the local distribution system of claims 14 and 17. The specification states that, in the non-direct connection reception system embodiments, the user could view and/or record a copy of either the decompressed or the *compressed* material:

> A reception system with such storage is capable of storing several requested items for future playback. The user could then view and/or record a copy of the decompressed requested material in real time, or compressed in non-real time, at a time of their choosing.

('863 patent, 5:22-27).

Thus, if a user is to be capable of playing back or recording *compressed* information that is transmitted from an intermediate storage device in a reception system, the user would have to have another "Figure 6" system (with its decompressor, output converter and storage) so that the compressed information received by the user could be decompressed and output in the proper analog format for playback. Thus, the specification does in fact disclose an embodiment of the invention wherein a Figure 6 system is disclosed at both an intermediate position and at the user's location.

With respect to the meaning of "subscriber receiving station," in claims 14 and 17 of the '863 patent, the construction of this term has to be the same in each claim. Claim 14 discloses that only decompressed information is transmitted to the subscriber receiving station, but claim 17 does not limit the information transmitted to the subscriber receiving station to decompressed information and therefore compressed information can be transmitted in claim 17. Thus, the construction of "subscriber receiving station" proposed by Acacia is the same in both claims and is capable of receiving either decompressed information (claims 14 and 17) or compressed information (claim 17).

The Round 2 Cable and Satellite defendants both contend that the term "subscriber receiving station" is indefinite. Both contend essentially that the term "subscriber receiving station" has no ordinary meaning and is not used in the specification. Both also contend that "subscriber receiving station" cannot have the same or similar meaning as another term, "reception system."

The construction of the term "subscriber receiving station" is similar to the construction of the term "download component" in *Network Commerce, Inc. v. Microsoft Corp.*, 422 F.3d 1353, 1359-1361 (Fed. Cir. 2005). In *Network Commerce,* the claim term "download component" did not appear in the specification and had no ordinary meaning or special meaning in the field of the patent. *Id.*, at 1359-1360. Rather than throw up its hands and find the term "download component" indefinite, as the defendants would have this Court do, the district court and the Federal Circuit both looked to the specification to determine whether a meaning for "download component" could be found there. The Federal Circuit found that the similar term in the specification "download file" corresponded most closely to the download component of the claims:

> In general "the specification necessarily informs the proper construction of the claims" and it is "appropriate for a court . . . to rely heavily on the written description for guidance as to the meaning of claims." *Id*. at 1317. Here, the specification does not use the term "download component," presumably because this claim terminology was added during prosecution after the specification had been prepared. The specification does describe a "download file." It appears from the function and description of the "download file" that this item corresponds most closely to the download component of the claims.

Network Commerce, 422 F.3d at 1360.

Here, the term at issue is "subscriber receiving station," which appears in claims 14 and 17 as the structure that receives information transmitted from the local distribution system to the subscriber location. The specification refers to a "receiving system" and depicts this in Figure 6. (*See*, '863 patent, 3:36-37). It appears from the function and description of the "receiving system" that the "receiving system" is the item that most closely corresponds to the "subscriber receiving station" of the claims. (See, discussion above regarding playback devices).

Both groups of defendants also contend that "subscriber receiving station" cannot have the meaning given to it by Acacia, because the term "receiving system" would have the same or a similar meaning. The Federal Circuit in *Bancorp Servs., LLC v. Hartford Life Insurance Group Co.*, 359 F.3d 1367, 1373 (Fed. Cir. 1996) construed a claim term that was not used in the specification and had no ordinary meaning or special meaning in the field of the patent as having the exact same meaning as another similar claim term that was even used in close proximity to the term in a claim. The Federal Circuit held that, although there is an inference that different claim terms appearing in the same claim should have different meanings, this inference is not conclusive and different words may express the same concepts:

> Hartford is correct that the use of both terms in close proximity in the same claim gives rise to an inference that a different meaning should be assigned to each. *See Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp*., 93 F.3d 1572, 1579 (Fed. Cir. 1996) (stating that if two terms described a single element, "one would expect the claim to consistently refer to this element [with one or the other of the two terms], but not both, especially within the same clause"). That inference, however, is not conclusive; it is not unknown for different words to be used to express similar concepts, even though it may be poor drafting practice.

Bancorp, 359 F.3d at 1373.

9. "Decompressing the Compressed, Digitized Data Representing the at Least One Item of Audio/Video Information After the Transmission Step Wherein the Decompressing Step is Performed in the Local Distribution System to Produce the Representation of the at Least One Item For Transmission To The At Least One Subscriber Station" ('863 Patent, Claim 14)

In its brief, Acacia addressed the portion of the Round 3 defendants' construction which limited the representation of the at least one item to "digital" decompressed data. Acacia explained that the claim is silent as to whether the decompressed data is analog or digital (persons of ordinary skill in the art in 1991 would have understood that decompressed data could either be in analog or digital formats). Acacia also pointed out that transmitting analog information is supported in the specification. ('863 patent, 4:59-61). The Round 3 defendants have not addressed any of Acacia's contentions, but instead have only stated that decompression in one dictionary means the act of expanding data to the length that preceded data compression. While this is correct, the claim still does not include a limitation that the data being transmitted to the subscriber receiving stations is limited to decompressed digital data as opposed to decompressed analog data. The Round 3 defendants seek to import a limitation to the claim and therefore rewrite this claim. This would be improper. *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claims, and the district court's attempt to do so here was legal error.")

III. CLAIM 15 OF THE '863 PATENT

10. "Wherein the Inputting Step Comprises Inputting the Item Having Information as Blocks of Digital Data" ('863 Patent, Claims 15, 18)

Only the Round 3 defendants address claims 15 and 18 in their opposition. They contend that this claim is definite, but contend that the fact that the information is input as blocks of digital data means that the transmission system itself does not form the data blocks. They ask that the Court include this limitation in the construction itself.

This limitation is not found in the claims (which include the step of "formatting the item having information as a sequence of addressable data blocks") and therefore the Court should not include this limitation in its construction. *See, e.g., Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

IV. CLAIM 16 OF THE '863 PATENT

11. "Wherein the Inputting Step Comprises Inputting the Item Having Information as an Analog Signal and Converting the Analog Signal to Blocks of Digital Data" ('863 Patent, Claims 16 and 19)

Only the Round 3 defendants address claims 16 and 19 in their opposition. They contend that these claims are indefinite, because the fact that the inputting step in these claims includes both inputting the item having information as an analog signal and converting the analog signal to blocks of digital data makes the claim contradictory.

Claims 16 and 19 are essentially the same as claims 15 and 18, which the Round 3 defendants contend are definite, except that, instead of inputting digital data blocks, the item is in an analog format which is then converted to create digital data blocks, the same input as in claims 15 and 18. This is exactly what the Round 3 defendants state when discussing the formatting step of claim 17 (Round 3 defendants' Opposition, at 64:3-5: "Finally, if the information is in analog form, it must be converted into digital form after the claimed step of 'inputting an item having information into the transmission system,' but before the step of 'formatting the item having information as a

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sequence of addressable data blocks.'") Thus, if claims 15 and 18 are definite, then claims 16 and 19 are also definite.

V. CLAIM 17 OF THE '863 PATENT

12. "Formatting Items of Audio/Video Information as Compressed Digitized Data at a Central Processing Location" and "Wherein the Formatting Step Comprises" ('863 Patent, Claim 17)

The Round 3 defendants contend that this phrase requires that "the transmission system ascertain whether the information is already in analog or digital format" and if it is in analog form, "then the transmission system must convert it to digital form." The Round 3 defendants do not seek to merely add a limitation to the claims – they seek to add two steps to the claim, neither of which is present in the claim itself or in the ordinary meaning of these terms. In fact, the limitation of converting the analog information into digital information is contained in the dependant claim 19, and therefore, pursuant to the doctrine of claim differentiation, this limitation cannot be included in independent claim 17. *See, Phillips*, 415 F.3d at 1315, *citing, Liebel-Flarshiem Co. v. Medrad, Inc.*, 358 F.3d 898, 910 (Fed. Cir. 2004) ("[T]he presence of a dependent claim that adds a particular limitation gives rise to a presumptions that the limitation in question is not present in the independent claim.")

The Round 3 defendants contend that these limitations must be included in the claim, because "[t]his is exactly the way the transmission system depicted in Figure 2 operates." (Round 3 defendants' Opposition, at 63:14). The Round 3 defendants are attempting to improperly import limitations into the claims from the specification and therefore are inviting the Court to commit legal error were it to include these limitations. *See, SRI Int'l.*, 775 F.2d at 1121 ("If everything in the specification were required to read into the claims, or if structural claims were to be limited to devices operated precisely as a specification-described embodiment is operated, there would be no need for claims. Nor could an applicant, regardless of the prior art, claim more broadly than that embodiment."); *Teleflex*, 299 F.3d at 1327; *Epcon Gas*, 279 F.3d at 1032; *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

13. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" ('863 Patent, Claim 17)

The Round 3 defendants contend that the phrase "a complete copy of at least one item of audio/video information" means "a copy of all of the audio/visual information contained on the at least one physical object." Acacia contends that there is no such limitation in the claims, nor should one be added through claim construction. Acacia's reply to this contention is set forth in Section 1.b., *supra*.

14. "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item to at a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 17)

a) The Term "Using" is Definite

Only the Round 2 satellite defendants address the term "using" in this phrase and contend that it is indefinite. The Round 2 satellite defendants contend that this term is indefinite, because this phrase does not identify any specific act. This phrase does specify an act – transmitting the representation of the at least one item to the plurality of subscriber receiving stations using the stored compressed, digitized data.

The Round 2 satellite defendants' reliance on *Ex Parte Erlich* is misplaced. In *Erlich*, the claims at issue contained a single phrase having the term "using," i.e., both claims merely stated that they were for a process for using monoclonal antibodies. The Board of Patent Appeals and Interferences held that these claims were incomplete "since they did not recite any steps." *Ex Parte Henry A. Erlich and Linda J. Nyari*, 1986 Pat. App. LEXIS 13; 3 U.S.P.Q. 2d (BNA) 1011, 1012. The Board held that: "[w]hile we agree with appellants that the claims need not recite all of the operating details, we do find that a method claim should at least recite a positive, active step(s) so that the claim will 'set out and circumscribe a particular area with a reasonable degree of precision and particularity.'" *Id.* The lone phrase of these claims was in effect the preamble of the claims. Neither claim recited *any* steps for performing this method.

Here, claim 17 is directed to a "method of distributing audio/video information" and recites numerous positive, active steps ("formatting," "transmitting," receiving," "storing," "inputting," "assigning," "formatting," "using to transmit," and "compressing") for achieving this method.

Claim 17 is therefore nothing like the claims in *Erlich,* because it includes numerous active steps for performing the "method of distributing audio/video information."

In their brief, the Round 2 satellite defendants misstate the standard for indefiniteness: "The test of indefiniteness is whether a person of ordinary skill in the art can understand the metes and bounds of the claim." (Round 2 satellite defendants' Opposition, at 26:20-21). The correct standard for determining indefiniteness is whether those of ordinary skill in the art are unable to understand what is claimed *when the claim is read in light of the specification*. *Bancorp*, 359 F.3d at 1372. Using their incorrect statement of the standard for indefiniteness, the Round 2 satellite defendants' pose a series of questions purporting to demonstrate that the claims are indefinite. (Round 2 satellite defendants' Opposition, at 27:1-5). Without the context of the specification, which always must be considered when construing a claim, these questions are meaningless.

The Round 2 satellite defendants next examine the specification, but do so only to look for the words "use" or "using." They then state that: "[t]here is no mention of *using* stored compressed data for the purpose of facilitating transmission." (Round 3 Satellite defendants' Opposition, at 27:11-12; emphasis supplied). This is not true. The specification states that the compressed data is in fact used to transmit a representation of the compressed data. According to the specification, before transmission, a transmission data converter 119 converts the compressed data and this converted data is transmitted:

> The conversion performed by transmission data converter 119 encodes the data for the transmission channel. The transmission data converter transfers the desired segments of data from the compressed data library 118 onto the communication channel which is used to deliver the data to the reception system 200.
>
> The transmission system 100 of the present invention preferably further includes transmitter means 122, coupled to the compressed data library 118, for sending at least a portion of a specific file to at least one remote location. The transmission and receiving system of the present invention preferably operates with any available communication channels. Each channel type is accessed through the use of a communications adaptor board or processor connecting the data processed in the transmission format converter 119 to the transmission channel.

('863 patent, 15:13 – 28; *See also*, Figure 2b).

b) The Phrase "to at a Plurality of Subscriber Receiving Stations"

The Round 3 defendants contend that the phrase "to at a plurality of subscriber receiving stations" is indefinite. The Round 3 defendants contend that there is an error in this claim, which cannot be corrected. Acacia is not asking the Court to correct an error; it asking the Court to interpret the words in the claim.

The *Novo* case cited by the Round 3 defendants is inapplicable. In *Novo*, the patent claim, which included the phrase "stop means formed on a rotatable with," was indefinite. To overcome this indefiniteness, the patentee asked the court to correct the claim language pursuant to 35 U.S.C. §§ 254 and 255 . The court, however, held that it could not correct the claim language, because "the nature of the error is not apparent from the patent itself." *Novo Indus., L.P. v. Micro Molds Corp.*, 350 F.3d 1348, 1357 (Fed. Cir. 2003).

Unlike the phrase in *Novo*, the phrase "to transmit a representation of the at least one item of audio/video information to at a plurality of subscriber receiving stations" in claim 17 is not indefinite, because it would have been understood by a person of ordinary skill in the art in 1991, when the claim is read in light of the specification. The person of ordinary skill in the art would have understood this phrase to mean that "a representation of the at least one item is transmitted such that it is received by a plurality of subscriber receiving stations."

The Round 3 defendants contend that there is an error in this claim and therefore this phrase could mean either "transmitting to a plurality of subscriber receiving stations" or "transmitting to at least one of a plurality of subscriber receiving stations." The claim phrase does not use the terms "one" or "at least one," and therefore one of ordinary skill in the art, when reading this claim phrase, would not understand this phrase to refer to one of the plurality of subscriber receiving stations or to refer to at least one of the plurality of subscriber receiving stations. Instead, a person of ordinary skill in the art would see that this phrase refers to "a plurality of subscriber receiving stations." Sending the information to a plurality of users is described in the specification. (*See, e.g.*, '863 patent, 4:51-56).

The Round 3 defendants further contend that the term "at" in the claim phrase means merely the goal of an action, not the action itself. Although Acacia disagrees, even if this is true, then the term "to" provides the action that the Round 3 defendants state is lacking. The Round 3 defendants agree. (Round 3 defendants' Opposition, at 78:9-10).

The Round 3 defendants also contend that the word "at" is used in other claim phrases to refer to the place where the action is occurring. While this may be true in those other claim phrases, from the context of the claim and when read in light of the specification, this is not the case in claim 17. In claim 17, the term "at" appears in the phrase "using the stored compressed, digitized data to transmit a representation of the at least one item to *at* a plurality of subscriber receiving stations coupled to the local distribution system." In the claim, the "stored compressed digitized data," as stated in the immediately prior step, is stored at the local distribution system, not at the subscriber receiving station. Further, in the specification, the audio/video data is always transmitted to the subscriber, never from the subscriber. This is because the object of the invention is to allow the subscriber to access material from their home or other location remote from the transmitting location. One of ordinary skill in the art would therefore understand that this claim phrase, when read in light of the specification, would never require that the audio/video data itself be transmitted from the subscriber back to the transmission system or the local distribution system.

Thus, this claim phrase is not insolubly ambiguous and it is not legally indefinite. *See, Exxon Research and Eng'g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001) ("If the meaning of the claim is discernible, even though the task may be formidable and the conclusion may be one over which reasonable persons will disagree, we have held the claim sufficiently clear to avoid invalidity on indefiniteness grounds. [citations omitted]. By finding claims indefinite only if reasonable efforts at claim construction prove futile, we accord respect to the statutory presumption of patent validity [citation omitted] and we protect the inventive contribution of patentees, even when the drafting of their patents has been less than ideal.")

15. Whether Each Step of Claims 14 and 17 of the 863 Patent and Claims 8 and 11 of the '720 Patent Begin and Occur Only After a Prior Step or Steps Have Been Completed.

As stated in Acacia's opening brief and in the Round 3 defendants' opposition, the parties have already addressed the same issue with respect to the steps of the method claims in the '992 and '275 patents. Acacia has nothing more to add to this issue.

VI. CLAIMS 4, 7, 8, AND 11 OF THE '720 PATENT

16. "Subscriber Selectable Receiving Stations" ('720 Patent, Claims 4, 8, and 11)

The Round 2 satellite defendants contend that the term "subscriber selectable receiving stations" must include the limitation that the choice to be selected must be provided to the subscriber by the reception system (claim 4) or the local distribution system (claims 8 and 11). The Round 2 satellite defendants contend that this limitation is necessary because otherwise, the claim would be vague and these structures are the only structures in the claims that are in communication with or coupled to the subscriber selectable receiving stations.

As discussed in Acacia's opening brief, the Round 2 satellite defendants are improperly adding a limitation to the claim which is not present in the claim. *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.") No such limitation appears in the specification. Indeed, the specification describes many different ways in which the subscriber may be provided the option to select a receiving station, other than via the local distribution system or the receiving system. For example, the user may make a request for transmission using: (1) the "remote order processing and item database" ('720 patent, 11:47-65; 13:33-60; 14:28-45); (2) the library access interface 121 ('720 patent, 12:62 – 13:5); (3) telephone tone decoders ('720 patent, 13:23-32); (4) operator assisted service ('720 patent, 14:8-21). Indeed, the specification never states that the "receiving system" or the "local distribution system" provides the user with this option.

17. "Means, Responsive to the Stored, Compressed Digitized Data, for Transmitting a Representation of the at Least One Item of Audio/Video Information at a Real-Time Rate to at Least One of the Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 4)

Claim 4 of the '720 patent recites a "means, responsive to the stored, compressed digitized data, for transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations." Acacia proposes that, as is ordinarily the case, the claimed function follows the word "for." That is, the recited function is "transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations." *See Seal-*

Flex, Inc. v. Athletic Track & Court Constr., 172 F.3rd 836, 849 (Fed. Cir. 1999) ("The preposition 'for' colloquially signals the recitation of a function."). The phrase "responsive to the stored, compressed digitized data" is a limitation, but it is not part of the function.

The Round 2 Satellite Defendants, unhappy with the language of the claim, argue that the descriptive phrase "responsive to the stored, compressed digitized data" preceding the word "for" should be included in the function, though they never propose what the function of this element ought to be. Rather, in order to suit their ultimate goal of finding this means plus function term to be indefinite because, as they contend, there is no structure disclosed in the specification that is "responsive to the stored, compressed digitized data" under their construction, the Round 2 Satellite Defendants argue that the language of the claim should be rearranged.[9] Not only is this improper because the words "responsive to the stored, compressed digitized data" appear only before the word "for", but also because the phrase "responsive to the stored, compressed digitized data" does not describe a function at all – it is a characteristic of structure. The phrase "responsive to the stored, compressed digitized data" which the Round 2 Satellite Defendants improperly include in their proposed function by transposing this phrase from before the word "for" to after the clearly recited function, is merely descriptive language that provides environment. *See Transclean Corp. v. Bridgewood Servs., Inc.*, 290 F.3d 1364, 1368, 1372 (Fed. Cir. 2002) (rejecting the dissent's contention by construing the function of the claim term "means connected to said fluid receiver and said source of fresh fluid, for equalizing the fluid flow into said fluid receiver and out of said source of fluid" to be "equalizing fluid flow"); *Micro Chem., Inc. v. Great Plains Chemical Co.*, 194 F.3d 1250, 1258 (Fed. Cir. 1999) ("Each apparatus claim recites a 'weighing means . . . for' performing a specified function. In claim 74, the properly identified function of this means-plus-function element, signaled by the preposition 'for,' is 'determining the weights of selected additives.'"); *Kinzenbaw v. Case LLC*, 2006 U.S. App. LEXIS 10656 (Fed. Cir. 2006) (unpublished) (reversing district court's claim construction that "connecting said carrier frame to the tractor hitch" was part of the function

[9] The parties' dispute regarding this means-plus-function claim element centers around the identification of the function. Once the function is identified as Acacia proposes, the structure disclosed in the specification for performing that function is easily identifiable.

of the claim term "draft tongue means connecting said carrier frame to the tractor hitch for permitting pivotal movement between said tractor and said implement about a first vertical hitch axis" and "connecting said lift frame to said carrier frame" was part of the function of the claim term "powered lift linkage means connecting said lift frame to said carrier frame for lifting said lift frame and said work units above said carrier frame to a raised position wherein all of said units are elevated above said support wheels.")

Defendants cannot identify a single case which permits the court to rearrange the language of the claims in the way they propose. In fact, the law prohibits changing the claim language. *Micro Chem.*, 194 F.3d at 1258 ("The statute does not permit limitation of a means-plus-function claim by adopting a function different from that explicitly recited in the claim."); *Hoganas AB v. Dresser Indus.*, 9 F.3d 948, 950 (Fed. Cir. 1993). The only case that the Round 2 Satellite Defendants appear to cite in support of their argument, *Lockheed Martin Corp. v. Space Systems/Loral, Inc.*, 324 F.3d 1308, 1319 (Fed. Cir. 2003), does not support their position at all. In *Lockheed*, the means plus function claim element at issue recited:

> Means for rotating said wheel in accordance with a predetermined rate schedule which varies sinusoidally over the orbit at the orbital frequency of the satellite whereby the attitude of said satellite is offset in response to the effect of said rotating wheel by the direction of the pitch axis being changed with respect to said momentum vector, the direction of said pitch axis with respect to the inclined orbit normal varying sinusoidally at the orbital frequency to null said roll pointing error due to said orbit inclination, the momentum vector being maintained perpendicular to the plane of the geosynchronous orbit to null said yaw pointing error due to said orbit inclination

Id at 1315. The district court construed the function of this means-plus-function element to be "rotating said wheel." *Id* at 1318-19. The Federal Circuit disagreed, and construed the function to be "rotating said wheel in accordance with a predetermined rate schedule which varies sinusoidally over the orbit at the orbital frequency of the satellite." That is, it included additional language appearing after "for" and describing the function which had been omitted by the trial court." *Id* at 1319. The *Lockheed* court did not, as Defendants propose to do here, rearrange the claim language or include in the function language that appeared before the word "for."

18. "Means for Inputting Items of Audio/Video Information" ('720 Patent, Claim 7)

The parties agree that the claim phrase "means for inputting items of audio/video information" is a means-plus-function claim limitation governed by 35 U.S.C. § 112(6), and that the function is "inputting items of audio/video information." In its opening brief, Acacia pointed to the structure that performs that function – the analog input receiver 127 and/or the digital input receiver 124 – and pointed to the portion of the specification that describes these components performing the "inputting" function. (Acacia's Legal Memorandum Re: '863 and '720 Patent Claim Terms, p. 54). But the Round 2 Satellite Defendants still argue that this claim term is indefinite.

The Round 2 Satellite Defendants' argument goes something like this – the digital and analog input receivers (124 and 127 respectively) are in the converter (113), and the converter (113) performs the function of "conversion", so the digital and analog input receivers (124 and 127) cannot be the structure that performs the function of inputting. But this argument has no support in fact or law. The Round 2 Satellite Defendants do not cite a single case (because there is none) that prohibits a single structure from performing two functions. Further, the Round 2 Satellite Defendants ignore the fact that the specification recites specific components within the converter – namely the digital and/or analog input receivers (124 and 127) – that perform the inputting function, and different components – namely an analog audio converter (123a) and analog video converter (123b), or a digital audio formatter (125a) and digital video formatter (125b) – that perform the function of "conversion." In other words, it is not the entire converter 113 that performs the "inputting" function; it is just the digital and/or analog input receivers (124 and 127) that perform that function. The Round 2 Satellite Defendants' selective quotation of this Court's previous opinions out of context cannot change what is disclosed in the specification. Therefore, only these components within the converter (113) are the corresponding structure to this means-plus-function claim element. *Micro Chem.*, 194 F.3d at 1258 ("Nor does the statute permit incorporation of structure from the written description beyond that necessary to perform the claimed function.").

Because the specification describes two alternative structures for inputting items of audio/video information, both fall within the claimed "means." *Micro Chem.*, 194 F.3d at 1258 (When "multiple embodiments in the specification correspond to the claimed function, proper application of § 112, ¶ 6 generally reads the claim element to embrace each of those embodiments."). Specifically, the '720 patent explains that where "items have only one format" (analog or digital) "only [that] one [corresponding] input receiver is necessary." Therefore the structure corresponding to the "means for inputting items of audio/video information" is the digital input receiver 124 or the analog input receiver 127, and their respective equivalents.

Finally, the Round 2 Satellite Defendants argue that the structure described in the specification – the analog input receiver 127 and digital input receiver 124 – and the explanation of those components, are "insufficient to teach one reasonably skilled in the art" what they are. Therefore, the Round 2 Satellite Defendants argue, the means-plus-function claim term is indefinite. But the Round 2 Defendants provide no evidentiary support for their contention, even though it is their burden to do so, nor do they provide any evidence about the level of ordinary skill in the art or how one of ordinary skill in the art would understand the claim language.

As noted in Acacia's previous briefing in this case, a defendant has the extraordinary burden of showing by clear and convincing evidence that a claim term is insolubly ambiguous, in arguing that a claim term is indefinite. *Bancorp*, 359 F.3d at 1372; *S3, Inc. v. nVidia Corp.*, 259 F.3d 1364, 1369 (Fed. Cir. 2001); *Exxon Research*, 265 F.3d at 1375. Courts are instructed, in considering whether a claim is indefinite, to respect the statutory presumption of patent validity and "protect the inventive contribution of patentees, even when the drafting of their patents has been less than ideal." *Bancorp*, 359 F.3d at 1372.

Here, the specification describes, in one example, that audio information is input using "an optical or magnetic digital playback device," which is "connected to the digital audio formatter 125a." ('992 patent, 7:40-43). The Round 2 Satellite defendants, however, do not even attempt to meet their burden of showing what one skilled in the art would or would not understand. The Round 2 Satellite Defendants' inability to meet this burden is not surprising, since one skilled in the art at the time this patent application was filed would understand exactly what an analog or digital input receiver was because one was described in the specification and other devices that performed this

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"inputting" function were readily available at that time.[10]

19. "Conversion Means for Placing Each Item of Audio Video Information Into a Predetermined Format as Formatted Data" ('720 Patent, Claim 7)

The parties agree that the claim phrase "conversion means for placing each item of audio video information into a predetermined format as formatted data" is a means-plus-function claim limitation governed by 35 U.S.C. § 112(6), and that the function is "placing each item of audio video information into a predetermined format as formatted data." In its opening brief, Acacia pointed to the structure that performs that function – the analog audio converter (123a) and the analog video converter (123b), or the digital audio formatter (125a) and digital video formatter (125b) – and pointed to the portion of the specification that describes these components performing the "conversion" function. (Acacia's Legal Memorandum Re: '863 and '720 Patent Claim Terms, p. 56).

But the Round 2 Satellite Defendants insist that the converter (113) is the structure that "plac[es] each item of audio video information into a predetermined format as formatted data." The Round 2 Satellite Defendants' identification of the entire converter (113) as the corresponding structure ignores the fact that the specification recites specific components within the converter (113) – namely an analog audio converter (123a), an analog video converter (123b), a digital audio formatter (125a), and/or a digital video formatter (125b) – that perform the function of "conversion," and different components within the converter (113) perform other functions, such as inputting. In other words, it is not the entire converter (113) that performs the "conversion" function; it is just the analog audio converter (123a) and analog video converter (123b), or the digital audio formatter (125a) and digital video formatter (125b) that perform that function. Therefore, only these components within the converter (113) are the corresponding structure to this means-plus-function claim element. *Micro Chem.*, 194 F.3d at 1258 ("Nor does the statute permit incorporation of structure from the written description beyond that necessary to perform the claimed function.").

The Round 2 Satellite Defendants' selective quotation of this Court's previous opinion out of context cannot change what is disclosed in the specification. Previously, this Court construed the "conversion means" of a different claim – claim 1 of the '992 patent – to have the converter (113) as its corresponding structure. But in that claim, there was no "means for inputting," as in this claim – claim 7 of the '720 patent. Certain specified components within the converter (113) are responsible for the "conversion" function and others are responsible for the "inputting" function that is recited explicitly in claim 7 of the '720 patent. In contrast, the "inputting" function is implicitly part of the "conversion" function of in claim 1 of the '992 patent, since there would be nothing to convert if nothing is inputted. Only those components that are necessary for the "conversion" function of claim 7 of the '720 patent should be incorporated as corresponding structure to the "conversion means" of claim 7 of the '720 patent – not those components that relate only to the "inputting" function that is separately recited.

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[10] If this Court deems it necessary, Acacia is prepared to present expert testimony to demonstrate that one skilled in the art would understand these terms.

Because the specification describes two alternative structures for "placing each item of audio video information into a predetermined format as formatted data", both fall within the claimed "means." *Micro Chem.*, 194 F.3d at 1258 (When "multiple embodiments in the specification correspond to the claimed function, proper application of § 112, ¶ 6 generally reads the claim element to embrace each of those embodiments."). Specifically, the '720 patent explains that "[w]hen the information … is digital" the digital audio formatter (125a) and digital video formatter (125b) are employed, and "when the retrieved information … is analog" the analog audio converter (123a) and analog video converter (123b) are employed. ('720 patent, 6:56-7:13). As further shown in Fig. 2a, reproduced below, only one of these two alternative structures are used for accomplishing the "conversion" function, depending on the format of the information that is to be converted.

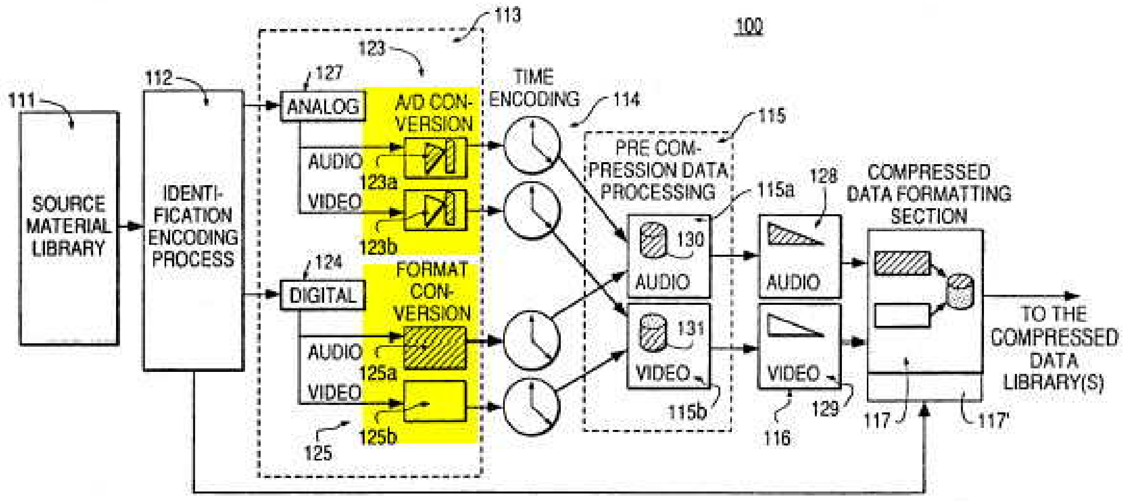
113
100
123
127
112
111
ANALOG
A/D CON-VERSION
TIME ENCODING
114
115
SOURCE MATERIAL LIBRARY
IDENTI-FICATION ENCODING PROCESS
AUDIO
123a
VIDEO
123b
PRE COM-PRESSION DATA PROCESSING
115a
128
COMPRESSED DATA FORMATTING SECTION
130
AUDIO
AUDIO
124
DIGITAL
FORMAT CON-VERSION
AUDIO
125a
VIDEO
125b
125
131
VIDEO
VIDEO
115b
116
129
117
117'
TO THE COMPRESSED DATA LIBRARY(S)

FIG. 2a

20. Transmitter Means for Sending Compressed Formatted Data for the at Least One Item of Audio/Video Information at the Non-Real Time Rate to the Reception System" ('720 Patent, Claim 7)

The parties seem to agree that if "transmitter means" is a means plus function claim limitation, the function is "sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system." The parties further agree that the structure disclosed for performing that function is the transceiver/transmitter 122. The parties' dispute centers around what examples of the transceiver/transmitter 122 are mentioned in the specification.

Acacia contends that the specification mentions at least seven different examples of a transceiver/transmitter 122: 1) transmitter; 2) transceiver; 3) cable television transmitter; 4) modem; 5) broadcast television transmitter; 6) data coupler; and 7) satellite transmitter. The Round 2 Satellite Defendants concede that the specification mentions "a modem, a data coupler, a transmitter, and a transceiver" as examples of a transceiver/transmitter 122. However, the Round 2 Satellite Defendants insist that the specification makes no mention of 1) a cable television transmitter, 2) a satellite transmitter, or 3) a broadcast television transmitter. But the first two – cable television transmitter and satellite transmitter – are shown in Fig. 2b, shown below (with highlighting):

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los angeles, california

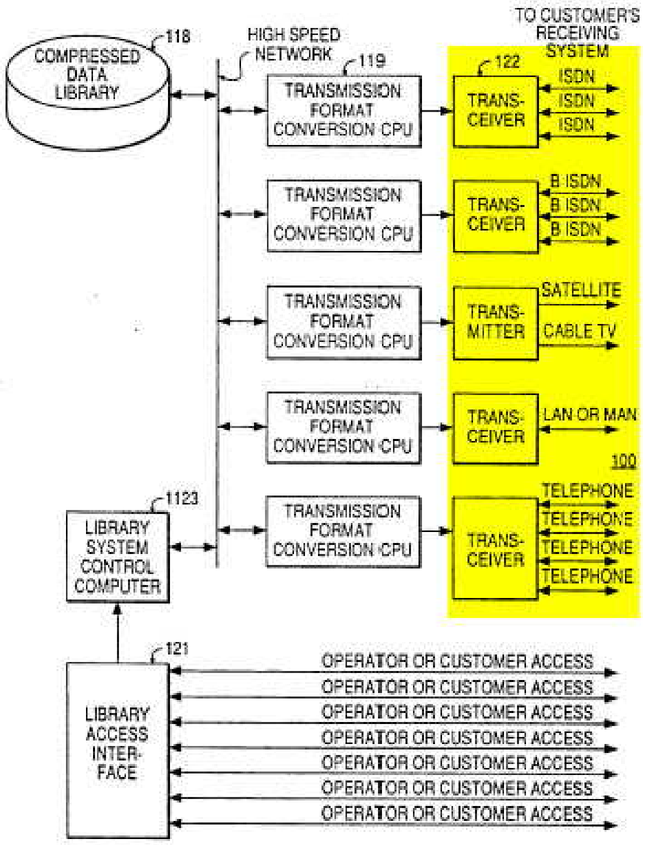
COMPRESSED DATA LIBRARY
118
HIGH SPEED NETWORK
119
TRANSMISSION FORMAT CONVERSION CPU
122
TO CUSTOMER'S RECEIVING SYSTEM
TRANS-CEIVER
ISDN
ISDN
ISDN
B ISDN
B ISDN
B ISDN
TRANS-MITTER
SATELLITE
CABLE TV
LAN OR MAN
100
1123
LIBRARY SYSTEM CONTROL COMPUTER
TELEPHONE
TELEPHONE
TELEPHONE
TELEPHONE
121
LIBRARY ACCESS INTER-FACE
OPERATOR OR CUSTOMER ACCESS

FIG. 2b

Similarly, the specification states that the transmission system "may preferably employ VHF, UHF, or satellite broadcasting systems." ('720 patent, 4:57-59). VHF and UHF would be recognized by anyone with a television in January 1991, when this patent was filed, to be "broadcast television."

21. ". . . Transmitting, Using a Transmitting Means, a Representation of the at Least One Item at a Real-Time Rate to at Least One of a Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 8)

The parties' dispute over the term "transmitting means" mirrors that of "transmitter means," which is discussed above. Therefore, for the sake of brevity, Acacia will not repeat its arguments. Rather, Acacia refers the court to the previous section.

VII. CLAIM TERMS FROM THE '992 PATENT THAT THE COURT HAS ALREADY CONSTRUED

22. "Transmission System" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17)

The Round 3 defendants' request that the Court limit the construction of the term "transmission system" in every claim to the embodiment depicted in Figures 2a and 2b of the patents is contrary to law and is not supported by the facts.

a) The Court Did Not Find that the Patentees Disavowed the Ordinary Meaning of "Transmission System," as the Round 3 Defendants Contend

The Round 3 defendants contend that reconsideration of the term "transmission system" is necessary, because they believe that the Court's construction of "transmission system" deviates from the ordinary meaning of "transmission system." (Round 3 defendants' Opposition, at 3-4). From this, the Round 3 defendants infer that the Court found (*sua sponte* and without informing the parties in the Markman I order) that the patentees had disavowed claim scope and given the term "transmission system" a special meaning limited to only the embodiment in Figures 2a and 2b. This was the first time that any party had made such a contention.

Acacia did not understand from the Court's Markman I order that the Court had deviated from the ordinary meaning of the term in construing the term "transmission system" or that the Court had found that the patentees had disavowed claim scope. The Court made no such statements in its Order. It was Acacia's understanding that the Court had construed "transmission system" according to its ordinary meaning, but had added language regarding conversion to a computer compatible form and storage, because the context of the '702 patent specification and claims included these limitations.[11] Acacia's understanding followed from the fact that both sides argued in Markman I that the term "transmission system" should take on its ordinary meaning; the parties only disputed the ordinary meaning to be given the term. No party contended that that term "transmission system" should take a meaning different from its ordinary meaning and no party contended that the patentees had made any disclaimer or disavowal of claim scope. Nor did the

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[11] Acacia believes that it is clear from the Court's construction for "transmission system" that it included context specifically from the '702 patent claims. This is because the Court's construction specifically states that the transmission is to "a reception system." Transmission to a reception system is specified in the claims of the '702 patent. Claims 1 and 41 of the '992 patent, which also were at issue in Markman I, do not indicate transmission to a "reception system;" they specify transmission to "remote locations." Further, claim 19 of the '992 patent specifies transmission to a "receiving system." Neither claims 1, 19, or 41 of the '992 patent mention a "reception system." Acacia shall address this in Section No. 22.e., *infra*, where Acacia shall request that the Court reconsider its construction of "transmission system" to delete the reference to "reception system."

Court raise this is an issue at the hearing.

In its Markman I Order, the Court did not state that it was intentionally deviating from the ordinary meaning of the term "transmission system" and it did not identify any statement in the patent or its prosecution history for deviating from the ordinary meaning of the term. (*See*, Markman I, at 27:12 – 28:13). As discussed in more detail below, claim terms are generally given their ordinary and customary meaning, unless the inventor has "demonstrated an intent to deviate from the ordinary and accustomed meaning of a claim term by including in the specification expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope." *Teleflex*, 299 F.3d at 1325. The Court, in Markman I, did not hold that the patentees demonstrated such an intent nor did it cite to any "expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope."

It was entirely proper for the Court to interpret the term "transmission system" according to the context in which it is used in the claims and the specification, even when giving the term its ordinary meaning. As discussed by the Federal Circuit in *Phillips*, the court may narrow the ordinary meaning of a claim term, *even where there is no explicit disclaimer*, to conform the ordinary meaning of a term to the context of the patent specification, claims, and prosecution history:

> Although the *Texas Digital* line of cases permit the dictionary definition to be narrowed in some circumstances *even where there is not an explicit disclaimer or redefinition in the specification*, too often that line of cases has been improperly relied upon to condone the adoption of a dictionary definition entirely divorced from the context of the written description. The problem is that if the district court starts with the broad dictionary definition in every case and fails to fully appreciate how the specification implicitly limits that definition, the error will systematically cause the construction of the claim to be unduly expansive. The risk of systematic overbreadth is greatly reduced if the court instead focuses at the outset on how the patentee used the claim term in the claims, specification, and prosecution history, rather than starting with a broad definition and whittling it down.

Phillips, 415 F.3d at 1321; emphasis added.

b) The Disclosure in the Specification of Only a Single Embodiment Does Not Limit the Claimed Invention to the Features Described in the Disclosed Embodiment

The Round 3 defendants contend that the Court must limit the meaning of "transmission system" to the system depicted in Figures 2a and 2b, because: (1) the term "transmission system" is used in the specification in a manner that is "incompatible" with its plain meaning; and (2) the transmission system of Figure 2 is the only transmission system disclosed in the specification.

In *Phillips*, the Federal Circuit reaffirmed its often stated rule that the "words of a claim 'are generally given [the] ordinary and customary meaning'" that they would have to a person of ordinary skill in the art at the time of the invention. *See, Conoco, Inc. v. Energy & Envtl. Int'l, L.C.*, __ F.3d ___, 2006 U.S. App. LEXIS 21036, at *16 (Fed. Cir. August 17, 2006), *quoting, Phillips*, 415 F.3d at 1312-13. Claims are to be read in light of the specification, and thus an inventor may use the specification to intentionally disclaim or disavow the broad scope of a claim. *Id., citing, Phillips*, 415 F.3d at 1316.

Any intention to disclaim or disavow claim scope, however, must be clear and must be evidenced by "expressions of manifest exclusion or restriction." *Id., citing, Teleflex*, 299 F.3d at 1325 ("The patentee may demonstrate an intent to deviate from the ordinary and accustomed meaning of a claim term by including in the specification expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope."). Further, absent such expression, the court is forbidden from importing limitations into the claim from a preferred embodiment or the only embodiment described in the specification. *Id.*, at *17, *citing, Phillips*, 415 F.3d at 1323 ("[W]e have expressly rejected the contention that if a patent describes only a single embodiment, the claims of the patent must be construed as being limited to that embodiment."); *See also, CCS Fitness v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed. Cir. 2002) ("An accused infringer may overcome this 'heavy presumption' and narrow a claim term's ordinary meaning, but he cannot do so simply by pointing to the preferred embodiment or other structures or steps disclosed in the specification or prosecution history.")

In their legal brief, the Round 3 defendants contend that the Court should construe the term "transmission system" as being limited to the "only" embodiment disclosed in the specification, which, according to defendants is in Figures 2a and 2b. Figures 2a and 2b do not depict the "only" embodiment disclosed in the specification. For example, the specification includes numerous examples of alternative embodiments. The transmission system may include a single source material library or a plurality of source material libraries, which may be geographically close together or far apart. ('992 patent, 6:23-34). The specification states that, if materials in the source material library are not already in a format compatible to the inputs of the converter, then those materials must be converted to or recorded on a compatible media format. ('992 patent, 6:8-22). Storage encoding may be performed just prior to conversion, at any time after the conversion, or after storing the item in the compressed data library. ('992 patent, 6:43-47). The transmission system may either be located in one facility or may be spread over a plurality of facilities. ('992 patent, 5:61-63). The identification encoder may allow entry of a popularity code. ('992 patent 12:28-57). The transmitter may be a modem or a data coupler, of other type of transmitter depending on the type of transmission channel selected. ("992 patent, 16:58-17:5). Other examples of alternative embodiments for the transmission system exist in the specification.

The Federal Circuit has on numerous occasions rejected the very same argument being made by the Round 3 defendants. For instance, in *Leibel-Flarshiem*, the accused infringer *Medrad* argued that, "because all the embodiments described in the common specification of the '669 and '261 patents feature pressure jackets, the claims of those patents must be construed as limited to devices that use pressure jackets." *Leibel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d at 898, 905-906 (Fed. Cir. 2004). The Federal Circuit rejected this contention outright and stated that the claims would be limited to the single embodiment only if the patentees, in the specification or the file history, demonstrated a clear intention using "words or expressions of manifest exclusion or restriction" to confine the claimed invention to that embodiment.

> [T]his court has expressly rejected the contention that if a patent describes only a single embodiment, the claims of the patent must be construed as being limited to that embodiment. See *ACTV, Inc. v. Walt Disney Co*., 346 F.3d 1082, 1091 (Fed. Cir. 2003); *Apex Inc. v. Raritan Computer, Inc*., 325 F.3d 1364, 1377 (Fed. Cir. 2003); *Altiris, Inc. v. Symantec Corp*., 318 F.3d 1363, 1373 (Fed. Cir. 2003); *Tex. Digital Sys., Inc. v. Telegenix, Inc*., 308 F.3d 1193, 1204-05 (Fed. Cir. 2002); *Teleflex, Inc. v. Ficosa N. Am. Corp*., 299 F.3d 1313, 1327 (Fed. Cir. 2002); *SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1121 n.14 (Fed. Cir. 1985) (en banc). Even when the specification describes only a single embodiment, the claims of the patent will not be read restrictively unless the patentee has demonstrated a clear intention to limit the claim scope using "words or expressions of manifest exclusion or restriction." *Teleflex*, 299 F.3d at 1327.

Leibel-Flarsheim, 358 F.3d at 906.

In *Leibel-Flarsheim*, the Federal Circuit found that the specification and file history did not include the disavowal statements necessary to limit the claims and thus the court would not limit the scope of the claims to the single embodiment in the specification:

> In this case, the specification does not describe the invention as limited to embodiments having pressure jackets, and none of the other reasons that have been invoked for giving claims a narrow reading are present. Although all the embodiments described in the common specification of the '669 and '261 patents include a pressure jacket, the written description does not contain a clear disavowal of embodiments lacking a pressure jacket. Medrad relies on several passages from the specification in which the applicants described an embodiment that uses a pressure jacket. Those passages, however, do not expressly or by clear implication restrict the scope of the invention to injectors using a pressure jacket.
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> * * *
>
> This case is therefore governed by the principle that "absent a clear disclaimer of particular subject matter, the fact that the inventor may have anticipated that the invention would be used in a particular way does not mean that the scope of the invention is limited to that context." *Northrop Grumman*, 325 F.3d at 1355; *accord Brookhill-Wilk*, 334 F.3d at 1301; *Teleflex*, 299 F.3d at 1328.

Leibel-Flarsheim, 358 F.3d at 908-909; *See also*, *Golight, Inc. v. Wal-Mart Stores, Inc.*, 355 F.3d 1327, 1331-1332 (Fed. Cir. 2004) ("Nor do we find the disclosure of a single embodiment to be limiting in this case. An applicant is not necessarily required by 35 U.S.C. § 112, ¶ 1 to describe more embodiments than its preferred one, and we have outright rejected the notion that disclosure of a single embodiment necessarily limits the claims."); *Altiris, Inc. v. Symantec Corp.*, 318 F.3d 1363, 1371 (Fed. Cir. 2003) ("Looking next to the written description, it clearly only discusses a single 'preferred' embodiment in which the 'setting' step occurs after the 'testing' step and before the 'booting normally' step. Nowhere, however, is there any statement that this order is important, any disclaimer of any other order of steps, or any prosecution history indicating a surrender of any other order of steps.")[12]

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[12] *See also*, *Brookhill-Wilk 1, LLC v. Intuitive Surgical, Inc.*, 334 F.3d 1294, 1298 (Fed. Cir. 2003); *Gemstar –TV Guide Int'l, Inc. v. United States Int'l Trade Comm'n*, 383 F.3d 1352, 1365-66 (Fed. Cir. 2004); *Fuji Photo Film Co. v. United States Int'l Trade Comm'n*, 386 F.3d 1095, 1106 (Fed. Cir. 2004); *CCS Fitness*, 288 F.3d at 1367-68; *Harold Schoenhaus v. Genesco, Inc.*, 440 F.3d 1354, 1358 (Fed. Cir. 2006); *Gillette Co. v. Energizer Holdings, Inc.*, 405 F.3d 1367, 1374 (Fed. Cir. 2005);

c) There is no Expression in the Specification or Prosecution History that the Patentees Intended to Limit "Transmission System" to the Embodiment in Figures 2a and 2b

The Round 3 defendants do not point to any specific, explicit statement in the patent specification or the prosecution history which would demonstrate that the patentees intended to limit the meaning of "transmission system" to the specific transmission system depicted in Figures 2a and 2b. For the Court to *exclude* from the claims *all* transmission systems *except* for the one shown in Figures 2a and 2b requires that the patentees have made a clear statement that they intended to limit the "transmission system" to only this embodiment. Absent such a statement, the Court cannot use the patentees' silence to narrow the ordinary meaning of an unambiguous claim term:

> Here, on the other hand, nothing in the specifications distinguishes the claimed "member" from prior art based on its shape or number of components. And the specifications do not even imply that "all embodiments" of the claimed exercise machine must use a single-component, straight-bar member or else tout the advantages of using that particular structure. In short, Life Fitness cannot use the intrinsic evidence's silence to narrow the ordinary meaning of an unambiguous claim term. *See, e.g., Johnson Worldwide*, 175 F.3d at 992, 50 USPQ2d at 1612 ("Mere inferences drawn from the description of an embodiment of the invention cannot serve to limit claim terms."); *Kegel*, 127 F.3d at 1427, 44 USPQ2d at 1127 ("Without an express intent to impart a novel meaning to a claim term, the term takes on its ordinary meaning."); *see also Wang Labs*, 197 F.3d at 1384, 53 USPQ2d at 1165-66 (limiting term "frame" to the character-based system in the specification when (among other things) the prosecution history distinguished the claimed invention from prior art based on that system).

CCS Fitness, 288 F.3d at 1368 (Fed. Cir. 2002).

In this case, there is no evidence in the specification or file history that the patentees have demonstrated a clear intention using "words or expressions of manifest exclusion or restriction" to limit the term "transmission system" to only the system exactly as depicted in Figure 2. The Round 3 defendants can do no better than pointing to the fact that: (1) the title of the patents includes the term "transmission system;" (2) the invention is characterized as a "transmission system" "repeatedly throughout the specification;" and (3) the inventors "characterized" the "invention" as a "transmission system" in the Petition to Make Special. (Round 3 defendants' Opposition, at 6:18 – 7:10). None of these are evidence of "words or expressions of manifest exclusion or restriction."

First, the title of the patent is not limiting. *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1309, 1312-13 (Fed. Cir. 1999) (a patent's title is irrelevant to claim construction).

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Next, the use of the term "transmission system" to "characterize" the invention in the patent is not an example of "words or expressions of manifest exclusion or restriction." The Round 3 defendants intentionally ignore the many places where the specification makes clear to the reader that the patentees did *not* intend to limit the transmission system in the claims to the system depicted in Figure 2. The patentees specifically stated in the specification that all of the Figures are merely preferred embodiments, only intended to explain the principles of the invention:

> The accompanying drawings, which are incorporated in and constitute a part of the specification, illustrate the presently preferred apparatus and method of the invention and, together with the general description given above and the detailed description of the preferred embodiment given below serve to explain the principles of the invention. In the drawings:
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> * * *
>
> FIGS. 2a and 2b are detailed block diagrams of preferred implementations of the transmission system of the present invention;

('992 patent, 3:17-24 and 3:28-30).

Thus, the transmission system of Figures 2a and 2b is merely a preferred embodiment of the invention. Of course, the court is forbidden from importing the preferred embodiment into the claims. *Electro Medical Sys., S.A. v. Cooper Life Sciences*, 34 F.3d 1048, 1054 (Fed. Cir. 1994).

The patentees even state that Figures 2a and 2b do not necessarily depict the only embodiment of the invention:

> FIGS. 2a and 2b illustrate detailed block diagrams of preferred implementations of the transmission system 100 of the present invention. Transmission system 100 may either be located in one facility or may be spread over a plurality of facilities. *A preferred embodiment of transmission system 100 may preferably include only some of the elements shown in FIGS. 2a and 2b.*

('992 patent, 5:59-65; emphasis added).[13]

The Round 3 defendants attempt to avoid this statement by arguing that the specification

[13] There is no legal requirement that the patentees describe every conceivable and possible embodiment of their invention. *See, CCS Fitness*, 288 F.3d at 1366 ("[O]ur case law makes clear that a patentee need not 'describe in the specification every conceivable and possible future embodiment of his invention.'"), *quoting, Rexnord Corp. v. The Laitram Corp.*, 274 F.3d 1336, 1344 (Fed. Cir. 2001) ("In short, it is the claims that measure the invention, as informed by the specification. As we noted long ago: 'Specifications teach. Claims claim.'"), *quoting, SRI Int'l*, 775 F.2d at 1121.

does not say which components are required and which are not. The specification describes many of the elements of the Figure 2 transmission as being optional ("may" include) or being "preferred."[14] (*See*, '992 patent, 5:66-68; 6:8-10; 6:55-62; 7:59-63; 8:57-66; 10:17-22; 13:29-34; 15:61-16:6; and 17:54-66).

The patentees further informed readers of their specification that the description in the patent was merely exemplary and not intended to limit the scope of the invention:

> Other embodiments of the invention will be apparent to those skilled in the art from consideration of the specification and practice of the invention disclosed herein. It is intended that the specification and examples be considered as exemplary only, with the true scope and spirit of the invention being indicated by the following claims.

('992 patent, 20:6-12); *See, Rexnord Corp. v. Laitram Corp.,* 274 F.3d 1336, 1345, 60 USPQ2d 1851, 1854 (Fed. Cir. 2001) (finding no disclaimer of claim scope: "Finally, the inventor explicitly qualified his detailed 'Description of A Preferred Embodiment' by stating that 'it is intended to be understood that the invention is not limited in its application to the details of construction and the arrangements of components set forth in the following description or illustrated in the drawings.").

Thus, it is clear that the patentees were setting out in their specification specific *examples* of the invention, rather than limiting the claims to the embodiments in the specification or even the embodiment of Figures 2a and 2b. *See, Phillips*, 415 F.3d at 1323 ("Much of the time, upon reading the specification in that context [teaching a person of ordinary skill in the art how to make and use the invention], it will become clear whether the patentee is setting out specific examples of the invention to accomplish those goals, or whether the patentee instead intends for the claims and the embodiments in the specification to be strictly coextensive.")

Consistent with the drawings being merely exemplary are the examples of alternative embodiments set forth in the specification, some of which are described above.

In addition to the language above from the specification which indicates the patentees' intent to encompass transmission systems in addition to the transmission system depicted in Figures 2a and 2b, every claim of the Yurt patents in which the term "transmission system" appears uses the open-ended term "comprising" (even claim 1 of the '992 patent, which specifically claim "a transmission system *comprising* . . ."). This fact also demonstrates the patentees' intent to not limit the term "transmission system" in the claims to Figures 2a and 2b. *See*, *Gillette*, 405 F.3d at 1374 ("This patent and its prosecution record fall far short of any kind of disclaimer or disavowal. Not only did the patentee claim the invention with two open-ended terms ('comprising' and 'group of'), but the specification expressly teaches that the invention encompasses a 'plurality of blades.'")

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[14] The Round 3 defendants' reliance on *Irdeto Access, Inc. v. EchoStar Satellite Corp.*, 383 F.3d 1295, 1302 (Fed. Cir. 2004) is misplaced, because in *Irdeto*, unlike this case, the patentee had admitted that the claim terms lacked any meaning in the art and directed the examiner and the public to the specification for the source of meaning for the disputed terms.

Claim 1 of the '992 patent is additional strong evidence that the patentees did not intend to limit the term "transmission system" to the embodiment of Figures 2a and 2b. Claim 1 of the '992 patent, which was part of the originally-filed patent application is for "a transmission system comprising . . ." The elements of claim 1 are written in means-plus-function format. The means-plus-function elements of claim 1 do *not* specify *only* the structures depicted in Figures 2a and 2b, because means-plus-function claim terms are interpreted to cover the structures disclosed in the patent specification *plus* all equivalents. Further, claim 1 lacks some of the structures identified in Figures 2a and 2b, such as the precompression processors 115, the transmission format conversion CPU 119, the library system control computer 1123, and the library access interface 121. If the patentees had intended the term "transmission system" to mean only the system in Figures 2a and 2b, then there would be no need for claim 1, or for any of its dependent claims. *See, SRI Int'l*, 775 F.2d at 1121 ("If everything in the specification were required to be read into the claims, or if structural claims were to be limited to devices operated precisely as a specification-described embodiment is operated, then there would be no need for claims.")

Lastly, the Round 3 defendants' quote from the PTMS is not "words or expressions of manifest exclusion or restriction," because the patentees did not state, or even infer, in the PTMS that the transmission system was limited to the system depicted in Figures 2a and 2b.[15]

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[15] The cases cited by the Round 3 defendants are distinguished from *Liebel* and are distinguished from the present case. (*See*, Round 3 defendants' Opposition, at 3-17). In each case cited by the defendants, the patentees demonstrated a clear intention to limit the claim scope using "words or

As there is no evidence demonstrating that the patentees had an intent to deviate from the ordinary and accustomed meaning of "transmission system," the Court must construe the term "transmission system" to have its ordinary meaning. *See*, *Teleflex*, 299 F.3d at 1328 ("The specification describes only one embodiment of the claimed 'clip (28),' but in the circumstances of this case the record is devoid of 'clear statements of scope' limiting the term appearing in claim 1 to having 'a single pair of legs.' Absent such clear statements of scope, we are constrained to follow the language of the claims, rather than that of the written description."); *Brookhill-Wilk*, 334 F.3d at 1301-02 ("Where, as here, the written description and prosecution history fail to express a manifest exclusion or restriction limiting the claim term, and where the written description otherwise supports the broader interpretation, 'we are constrained to follow the language of the claims,' *Teleflex*, 299 F.3d at 1328, 63 USPQ2d at 1382-83, and to give the claim term its full breadth of ordinary meaning as understood by persons skilled in the relevant art. *Rexnord Corp.*, 274 F.3d at 1342, 60 USPQ2d

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expressions of manifest exclusion or restriction."

The case of *Inpro II Licensing, S.A.R.L. v. T-Mobile USA, Inc.*, 450 F.3d 1350, 1354-55 (Fed. Cir. 2006) is distinguished, because, in construing the claim term "host interface" to be limited to "a direct parallel bus interface," the court found that the only host interface described was a direct parallel bus interface *and* found expressions of manifest exclusion in both the specification and the prosecution history: "the specification emphasizes the importance of a parallel connection in solving the problems of the previously used serial connection;" "The description of a serial connection in the discussion of the expansion bus interface, and the lack of any such description in the discussion of the host interface, reinforce the interpretation of the host interface as requiring a parallel bus interface, for that is the only interface described for that purpose. The specification characterizes the direct bus interface as a 'very important' feature of the invention, stating that a 'direct' connection is necessary to provide 'direct' access, which allows for fast communication."; and "The prosecution history supports the interpretation of 'host interface' as a direct parallel bus interface. In prosecuting the first in this series of applications, the applicants explained that their invention overcame certain limitations of known PDA devices."

The Federal Circuit distinguished the other cases cited by the Round 3 defendants on the grounds that, in those cases, there was evidence that the inventors intended to limit their claims. In *Leibel-Flarsheim*, 358 F.3d at 908, the court stated that "In those cases [including *Toro Co. v. White Consol. Indus.*, 199 F.3d 1295, 1300-01 (Fed. Cir. 1999) and *Modine Mfg. Co. v. United States, Int'l Trade Comm'n*, 75 F.3d 1545, 1551 (Fed. Cir. 1996)], the court interpreted the pertinent claim language narrowly, not merely because the specification, claim, or prosecution history made clear that the invention was not limited to a particular structure. The court in *Leibel-Flarsheim*, 358 F.3d at 907 also stated that "the prosecution history of the patent in suit in *Wang [Labs., Inc. v. America Online, Inc.*, 197 F.3d 1377, 1383 (Fed. Cir. 1999)] showed that the inventors disclaimed a claim construction that would encompass bit mapped display systems. *Id.* at 1383-84. *Wang* therefore does not stand for the proposition that if a patent specification describes a particular embodiment, the claims must be limited to that subject matter."

at 1854.

d) The Term "Transmission System" is not Indefinite

The Round 3 defendants also contend that, if the Court does not adopt their construction for "transmission system" as the embodiment in Figures 2a and 2b, then the Court's present construction for "transmission system" would be indefinite. The Round 3 defendants contend that the term would "insolubly ambiguous." This is nonsensical, because the term has an ordinary meaning and the Court has construed the term and thus it cannot be "insolubly ambiguous."

The Round 3 defendants contend that, under the Court's construction for "transmission system," defendants cannot determine whether their system is a transmission system.[16] Infringement is for a later date. Further, this concern has been addressed by the Federal Circuit, which has held that a claim is definite, and therefore satisfies 35 U.S.C. § 112, ¶ 2, if the claim, read in light of the specification, apprises those skilled in the art of the scope of the claim. *Smithkline Beechham Corp. v. Apotex Corp.*, 403 F.3d 1331, 1339-1340 (Fed. Cir. 2005). Thus, "the test for indefiniteness does not depend on a potential infringer's ability to ascertain the nature of its own accused product to determine infringement, but instead on whether the claim delineates to a skilled artisan the bounds of the invention." *Smithkline Beechum*, 403 F.3d at 1341, *citing*, *Miles Lab. v. Shandon, Inc.*, 997 F.2d 870, 875 (Fed. Cir. 1993).

The Round 3 defendants appear also to be concerned that the Court's construction of "transmission system" would be overly broad. The Federal Circuit has held, however, that claim "breadth is not indefiniteness." *Smithkline Beechum*, 403 F.3d at 1341.

e) Acacia Requests Reconsideration of the Court's Construction of "Transmission System" to Remove the "Reception System" from the Court's Construction

Acacia respectfully requests reconsideration of the construction of the term "transmission system" to remove the "reception system" from the Court's construction. As discussed above in Section No. 22.a., Acacia believes that it is clear from the Court's construction for "transmission system" that it included *context* specifically from the '702 patent claims. This is because the Court's construction specifically states that the transmission is to "a reception system." Transmission to a reception system is specified in the claims of the '702 patent. This context, however, does not apply to other claims which also use the term "transmission system." Claims 1 and 41 of the '992 patent, which also were at issue in Markman I, do not indicate transmission to a "reception system;" they specify transmission to "remote locations." Further, claim 19 of the '992 patent specifies transmission to a "receiving system." Neither claims 1, 19, or 41 of the '992 patent mention a "reception system."

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[16] The Round 3 defendants are being quite disingenuous. Although they contend that the term "transmission system" would be indefinite, they do not contend that the term "reception system," which is construed by the Court to be even broader than "transmission system," is not indefinite.

Thus, because the term "transmission system" is used in claims 1, 19, and 41 of the '992 patent, and because these claims do not specify transmission to a "reception system," Acacia respectfully requests that the Court reconsider its construction of the term "transmission system" to remove the reference to the "reception system," which applies in the context of the '702 patent, but not in the other claims.

This would also be consistent with the Court's construction of "reception system," wherein the Court did not specify that the "reception system" only receives information from the "transmission system." (Markman I, 28:15-23).

23. "Reception System" ('275 Patent, Claims 2 and 5)

Acacia contends that it is improper to add a limitation to the term "reception system" that the "reception system" only receives information "directly" from the transmission system. In its opening brief, Acacia cited a number of cases demonstrating that adding such a limitation to this term would be improper. One of the cases, *Resonate*, 338 F.3d at 1365, was on point and directly contrary to the Round 3 defendants' construction. In *Resonate*, the Federal Circuit held that a patentee's choice not to specify a transmission path in a claim meant that the court could not add a limitation that the material be transmitted *directly*. The Round 3 defendants do not even address this case in their opposition. In *Resonate*, the claim phrase was "transmitting the requested resource to the client." The Federal Circuit did not limit this phrase at all, let alone stating that it had to be limited to directly transmitting to the client. Thus, the Federal Circuit would not have been persuaded by defendants' argument that the fact that the claims in this case refer to sending to the "reception system" requires that the transmission be direct so as to exclude sending to a system "X," because the "direct" limitation is not included in the claims. It would therefore be improper for the Court to add the "direct" limitation to this term.

Acacia further contends that it would be improper to add the limitation of "electronically or optically" to the construction of "reception system." This limitation does not belong in the construction of "reception system." This limitation is not part of the ordinary meaning of "reception system." Besides, this limitation is already included in the claims via the term "sending" in claims 2 and 5 of the '275 patent and the term "in data communication with" in the '702 patent claims.

The Round 3 defendants further contend that the "receiving system" in claims 2 and 5 of the '275 must be limited to a device on which playback can occur. Acacia addressed this contention in its Reply Brief regarding the '992 and '275 patents, at 58:16-59:19, wherein Acacia stated that the specification makes clear that the receiving system is not the playback device. (*See,* '275 patent, 18:36-39 and Figure 6).

24. "Storing Items Having Information in a Source Material Library" ('992 Patent, Claim 41)

a) The Court Construed the Term "Source Material Library" in Markman I to Mean "a Collection of Existing Materials"

The Round 3 defendants premise their arguments that the "source material library" has to mean a litany of elements and limitations not contained in the claims, because "[t]he Court never separately construed 'source material library.'" (Round 3 defendants' Opposition, at 14:16 and 15:7-9). The Court did construe the term "source material library:"

> The Court finds that the plain and ordinary meaning of the term "library" could mean either a collection of books or a place where books could be stored. The specification supports defining library to be a collection of original material, which contains analog or digital information, that the transmission system may convert, compress, and transmit. *In other words, the specification defines the source material library as a collection of original sources of information.* In the transmission system described in claim 41 of the '992 patent, the Court construes the phrase "storing items having information in a *source material library*" to mean "adding items having information to *a collection of existing materials*."

(Markman I, at 25:11-19; emphasis added).

In contending that the Court did not construe the term "source material library," the Round 3 defendants refer to the Court's discussion of the term "library means for storing items containing information" of claim 1 of the '992 patent. The Court's comments regarding a "source material library" were in response to Acacia's contention that the term "library" in the phrase was sufficient structure for performing the claimed function. The Court held that the term "library" was not sufficient structure for performing the claimed function, because the passages from the specification referred to by Acacia did not refer to a "library," but instead referred to a "source material library." The Court's comments in footnote 5 regarding *Lang* merely demonstrated that, consistent with the specification, the patentees referred to a "source material library" when distinguishing *Lang*.

b) The Round 3 Defendants Misquote the Specification

The Round 3 defendants contend that the term "source material library" does not have a plain meaning and contend that the specification and other intrinsic evidence describe a number of specific functions that the source material library must perform. In other words, the Round 3 defendants contend that the patentees defined the term "source material library" in the specification to include all of these features. (*See,* Round 3 defendants' Opposition, at 18:12-20). As with the "transmission system" term discussed above in Section No. 22, the Round 3 defendants have not shown that the patentees have "demonstrated an intent to deviate from the ordinary and accustomed meaning of a claim term by including in the specification expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope." *Teleflex*, 299 F.3d at 1325. As described below, the patentees made no such statements or expressions.

For instance, the Round 3 defendants state that "[a] source material library ***must*** be capable of storing different types of physical objects containing information. . ." (Round 3 defendants' Opposition, at 18:15-16, *citing*, '992 patent, 6:10-15). The Round 3 defendants are misquoting the patent specification, which does *not* state that being capable of storing different types of physical objects is mandatory:

> The source material library 111 ***may*** include different types of materials including television programs, movies, audio recordings, still pictures, files, books, computer tapes, computer disks, documents of various sorts, musical instruments, and other physical objects.

('992 patent, 6:10-15; emphasis added).

Thus, the patentees did not define the "source material library" in the specification to be required to store different types of physical objects containing information and thus Court was correct to not include this limitation in its construction of "source material library."

The Round 3 defendants further state that "the source material library ***must*** be capable of electronically receiving requests from users which identify the physical objects stored in the source material library." (Round 3 defendants' Opposition, at 18:17-20). Defendants refer the Court to its May brief as support, however, nothing in their May brief demonstrates that the patentees stated that the source material library *must* have this capability. Nothing in the specification or in defendants' briefing even mentions "electronically receiving requests" or "initiating the automated process of retrieving the information from the physical objects identified in the user requests" and defendants cannot support adding these limitations to the meaning of source material library.

Further, nothing in the specification requires that all user requests for transmission of items be sent to the source material library. Although there is an embodiment in the specification in which the user's request is sent to the source material library, other embodiments in the patent specification teach that the user's request is sent to the library access interface, which is in communication with the compressed data library, as depicted in Figure 2b and described in the specification of the '992 patent at 13:29-47 (E.g., "The transmission system 100 of the present invention may also preferably include library access/interface means for receiving transmission requests to transmit items and for retrieving formatted data blocks stored in the compressed data library 118 corresponding to the requests from users.")

The fact that Figures 2a and 2b do *not* depict a user request being placed to the source material library, but instead depict the user request being placed to the library access interface demonstrates the fallacies in the Round 3 defendants' contentions regarding both the "transmission system" and the "source material library." The fact that the patentees described an embodiment in the specification in which the user request is placed to the source material library, but did not depict this embodiment in Figures 2a or 2b, demonstrates that the patentees did not intend to limit the "transmission system" to the embodiment in Figures 2a and 2b. Similarly, the fact that the patentees

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described and illustrated an embodiment in which the user request is sent to the compressed data library, via the library access interface, also demonstrates that the source material library is not required to be capable of receiving user requests.

The Court was correct to not include this limitation in its construction of "source material library."

c) Nothing in the Specification or the Prosecution History Teaches that the Source Material Library is a "Jukebox-Like" Device

The Round 3 defendants contend that the patent specification teaches that the "source material library" is a "jukebox-like device." The specification does not use the terms "jukebox" or "jukebox-like" and the Round 3 defendants do not define what they mean by "jukebox-like."

The Round 3 defendants rely on the arrows in Figure 2a as demonstrating that the "source material library" must be "jukebox-like." Figure 2a does not limit the meaning of "source material library." *See*, *Prima Tek*, 318 F.3d at 1148-49 ("Similarly, the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration."); *Gart v. Logitech, Inc.*, 254 F.3d 1334, 1342 (Fed. Cir. 2001) ("These drawings are not meant to represent 'the' invention or to limit the scope of coverage defined by the words used in the claims themselves."); *TI Group Auto. Sys. v. VDO N. A., LLC*, 375 F.3d 1126, 1136 (Fed. Cir. 2004) ("'the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration.'"), *quoting*, *Anchor Wall Sys. v. Rockwood Retaining Walls, Inc.*, 340 F.3d 1298, 1306-07 (Fed. Cir. 2000).

In Section (a) of their three-section discussion as to why the "source material library" is "jukebox-like," the Round 3 defendants appear to contend that the source material library is "jukebox-like," because the output from the source material library must be a physical object. The Round 3 defendants state that "[t]he single arrow from the source material library to the identification encoder is not labeled as analog or digital because it indicates the transfer of a physical object from the source material library to the identification encoder." The Round 3 defendants' offer no support whatsoever for this statement.

It does not follow from the fact that there is a single arrow from the source material library to the identification encoder in Figure 2a that that the materials from the source material library are only physical items. Figure 2a is a conceptual block diagram which is described in the patent as being only exemplary. (‘992 patent, 3:17-34). In other words, persons of ordinary skill in the art would not view Figure 2a as being limiting or being literally followed in every system. Thus, a “single” line is merely exemplary; the invention can still be practiced with two or three or four lines, etc. without deviating from the invention. Further, persons skilled in the art would have understood that analog and digital *electronic* items can pass through a single “line,” just as physical items could. Indeed, there is no requirement that the source material library store both analog and digital materials; it could store one kind, or both. (‘992 patent, 6:62-68).

Regardless, as Acacia has pointed out many times before, the specification does *not* limit the items stored in the source material library to “physical items:” “The items of information [stored in the source material library] may include analog and digital audio and video information as well as physical objects such as books and records which require conversion to a compatible media type before converting, compressing and storing their audio and video data in the compressed data library means.” (‘992 patent, 6:2-7).

In Section (b) of their discussion, the Round 3 defendants contend that the statement in the specification that retrieving information is “analogous to taking books off a shelf” “suggests a jukebox-like system in which the source material library retrieves the physical object in response to the user request identifying the physical object.” (Round 3 defendants’ Opposition, at 20:9-15). This sentence does not suggest a jukebox. A jukebox does not operate with books or in a library. Further, nothing in this sentence mentions that the books selected are the books identified in a user request that was sent electronically.

In Section (c) of their discussion, the Round 3 defendants contend that there is a telecine device in the identification encoder 112. The specification makes no mention of such a device being part of the identification encoder, but defendants somehow glean this from the specification. According to the defendants, the telecine is between the source material library 111 and the converter 113. Therefore, because Figure 2a shows only the identification encoder between the source material library and the converter, the telecine must be in the identification encoder. This just does not follow. The functions of the identification encoder are never described in the specification as converting a film into digital video (one of the functions of a telecine).[17] One of ordinary skill in the art would not expect Figure 2a to include the telecine, which would not have been part of the identification encoder, because having a film in the source material library is only one of many possible embodiments of the invention.

The prosecution history also does not support construing the "source material library" as a jukebox-like device, as the Round 3 defendants contend. "The prosecution history may demonstrate that the patentee intended to deviate from a term's ordinary meaning, i.e., if it shows the applicant characterized the invention using words or expressions of manifest exclusion or restriction during the administrative proceedings before the Patent and Trademark Office." *Teleflex*, 299 F.3d at 1326. A disclaimer of claim scope requires "clear and unmistakable statements of disavowal." *Cordis Corp. v. Medtronic AVE, Inc.*, 339 F.3d 1352, 1358 (Fed. Cir. 2003).

The patentees did not use any clear and unmistakable words or expressions of manifest exclusion or restriction during prosecution which would mean that the source material library is limited to a "jukebox-like" device which automatically transfers physical items in response to an electronically-received request which identifies the physical item. The Round 3 defendants point to three statements regarding *Lang*, however, none of these statements referred to the source material library as a "jukebox-like" device or even stated or inferred that the source material library automatically transfers physical items or receives electronic requests. (Round 3 defendants' Opposition, at 21:7 – 22:6). There is no basis *at all* for the defendants' conclusion that "[w]hat Yurt was telling the examiner, then, was that he had solved the problem of how to incorporate a jukebox-like device into a system which had components similar to those disclosed in *Lang*," because Yurt said no such thing.

d) There is Written Description for the Method Step of "Storing Items Having Information in a Source Material Library"

The Round 3 defendants contend that, because claim 41 of the '992 patent was not part of the

[17] In its Markman II Order, the Court identified ten functions of the identification encoder, but none include the functions of a telecine. (Markman II, at 15:13-16:9).

originally-filed patent application, there is no support in the specification for "putting items having information *into* the source material library." The Round 3 defendants are relying on the fact that the Court construed the method step of claim 41 of "storing items having information in a source material library" to mean "*adding* items having information to a collection of existing materials" together with the fact that the statement in the preamble of claim 41 that the method is "performed by a transmission system."

There is support for this step in originally-filed claim 1, which is part of the specification and therefore the written description requirement is met. *See, e.g., Union Oil Co. v. Atlantic Richfield Co.*, 208 F.3d 989 (Fed. Cir. 2000) (finding support for each claim element in the specification or originally filed claims); *In re Gardner*, 480 F.2d 879 (C.C.P.A. 1973) (finding that an "original claim … in itself constituted sufficient description in the original disclosure … to satisfy the description requirement") (quotations omitted). The originally-filed application for the '992 patent included claim 1. Originally-filed claim 1 described a transmission system having a "library means for storing items:"

> 1. A transmission system for providing information to remote locations, the transmission system comprising:
> ***library means for storing information;***
> identification encoding means for retrieving the information for the items from the library means and for assigning a unique identification code to the retrieved information;
> conversion means, coupled to the identification encoding means, for placing the retrieved information into a predetermined format as formatted data;
> ordering means, coupled to the conversion means, for placing the formatted data into a sequence of addressable data blocks;
> compression means, coupled to the ordering means, for compressing the formatted and sequenced data;
> compressed data storing means, coupled to the data compression means, for storing as a file the compressed, sequenced data received from the data compression means with the unique identification code assigned by the identification encoding means; and
> transmitter means, coupled to the compressed data storing means, for sending at least a portion of a file to one of the remote locations.

(Exhibit 13 to Block Suppl. Decl.)

Claim 1, being part of the originally-filed patent application, is part of the originally-filed specification and therefore can provide written description support for any later-added claims. *Union Oil*, 208 F.3d at 998 n.4 (Fed. Cir. 2000) ("One of this court's predecessor court clarified that disclosure in an originally filed claim satisfies the written description requirement.”), *citing In re Gardner*, 480 F.2d 879, 880 (C.C.P.A. 1973*); In re Application of Koller*, 613 F.2d 819, 823-24 (C.C.P.A. 1980). *In re Application of Koller* is particularly instructive on this point. In that case, the USPTO Board of Appeals had rejected certain claims based on their conclusion that they were not supported by an adequate written description in the grandparent application to the application at issue. *Id* at 821. The court, however, reversed the Board's decision, reasoning that the later added claims at issue were “of similar scope and wording” as the original claims, and since the “original claims constitute their own description,” the added claims are supported. *Id* at 823-24.

When the patentees added claim 41 to the ‘992 patent application, they informed the examiner that claim 41 corresponded to claim 1 in order to obtain method coverage:

> Applicants also have added independent claims 41, 47, and 54 which correspond generally with independent claims 1, 18, and 22, in order to obtain full apparatus and method coverage consistent with the coverage provided by the original claims.

(Amendment, dated September 30, 1991, at 17; Exhibit 14 to Block Suppl. Decl.)

Thus, the patentees intended that claim 41 would be a method claim having coverage that is consistent with that of claim 1. Claim 41 includes the method step of “storing items having information in a source material library.” This phrase is nearly the same as the “library means” phrase of original claim 1. Both phrases use the term “storing” and both refer to items. Both also refer to a library: claim 1 refers to a “library means” (which the Court construed to mean a “source material library”) and claim 41 refers to a “source material library.”

There is written support for the claim 41 phrase “storing items in a source material library” in the claim 1 phrase “library means for storing items.” The claim 1 phrase and the claim 41 phrases essentially claim the same thing, which is what the patentees intended as evidenced by their statement to the examiner. *In re Application of Koller*, 613 F.2d 819, 823-24(C.C.P.A. 1980).

e) Acacia Seeks Reconsideration of the Court’s Construction of “Storing Items in a Source Material Library” So as to Conform the Meaning of “Storing” Throughout the Claims to Mean “Adding or Maintaining”

Acacia respectfully requests that the Court modify its construction of the term “storing” in this phrase to be consistent with its use in the specification and to conform the Court's construction

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of "storing" in claim 1 of the '992 patent.

In its Opening Brief, Acacia cited to the definition for "store" from Webster's dictionary, which recited the acts of both "adding" and "maintaining." Another definition in Websters' for the word "store," when used as a verb is "hold". As set forth in the IEEE Dictionary, the verb "store" has three possible meanings: (1) to place data into a device into which data can be placed, in which they can be retained, and from which they can be retrieved (i.e., the act of adding data); (2) to retain data in a device into which data can be placed, in which they can be retained, and from which they can be retrieved (i.e., the act of maintaining data); or (3) to place or retain data in a storage device.[18] (IEEE Dictionary, Exhibit 15 to Block Supp. Decl.)

In its opening brief, Acacia suggested modifying the construction for "storing" to be "adding and maintaining." However, for the Court to construe the term "storing" in claim 41 to be consistent with the specification and consistent with the Court's construction of storing in claim 1, the construction should be "adding items having information to or maintaining items having information in a collection of existing materials."

Adding items to the source material library is not a requirement of the specification and therefore it should not be a requirement of claim 41. When describing the "source material library" in the specification of the patent, the patentees described the "source material library" in terms of "maintaining" items:

> Transmission system 100 of a preferred embodiment of the present invention preferably includes source material library means for temporary storage of items prior to conversion and storage in a compressed data library means.
>
> * * *
>
> The source material library 111 may include different types of materials including television programs, movies, audio recordings, still pictures, files, books, computer tapes, computer disks, documents of various sorts, musical instruments, and other physical objects.

('992 patent, 5:66-6:2 and 6:10-15).

[18] In their opposition, in response to Acacia, the Round 3 defendants stated that "'storing' items involves maintaining the items stored." (Round 3 defendants' Opposition, at 3, n. 1). Thus, the Round 3 defendants agree that "storing" involves the act of "maintaining the items stored."

The specification also describes the "preferred method of distribution." ('992 patent, 18:46-47). Claim 41 is for a method of distribution. In this section of the specification, the patentees assumed that the items were already stored in the source material library:

> As illustrated in FIG. 7, *the first step of the distribution method 400 involves retrieving the information for selected items in the source material library 111*, upon a request by a user of the distribution system (step 412).

('992 patent, 18:53-56; emphasis added).

Consistent with these descriptions in the specification and consistent with construing "storing" as "adding or maintaining," there is no arrow in Figure 2a showing that items having information are added to the source material library. A person skilled in the art therefore could understand Figure 2a as presuming that the items are maintained in the source material library.

In Markman I, the Court construed the phrase "library means for storing items having information." The Court stated that the function of the library means is "storing items containing information," however it did not construe the term "storing" to mean "adding items containing information." (*See*, Markman I, at 11:5). The Court construed the term "storing" differently in claim 41 than it did in claim 1. Specifically, the Court stated that the phrase "storing items having information in a source material library" means "adding items having information to a collection of existing materials." (Markman I, at 25:17-19).

Thus, consistent with the specification and with the Court's construction of "storing" in claim 1, the Court should construe the term "storing" as "adding or maintaining." See, *Renishaw, PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998); *Medrad, Inc. v. MRI Devices Corp.*, 401 F.3d 1313, 1319 (Fed. Cir. 2005).

Acacia respectfully requests that the Court reconsider its construction for the phrase "storing items having information in a source material library" as "adding items having information to or maintaining items having information in a collection of existing materials."

25. "Items Containing (or Having) Information" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17)

a) The Court Should Not Limit the Phrase "Items Having Information to "Physical Objects"

The Round 3 defendants contend that the Court should construe the term "items having information" to mean "physical objects." Like so many other terms for which the defendants ask the Court to import limitations not contained in the claims or in the ordinary meaning of the terms, the do not point to any "expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope." *Teleflex*, 299 F.3d at 1325. The Court is therefore "constrained to follow the language of the claims." *Teleflex*, 299 F.3d at 1328 ("Absent such clear statements of scope, we are constrained to follow the language of the claim.")

The Round 3 defendants appear to concede that the ordinary meaning of "items having information" would include physical objects as well as non-physical objects. This is why the Round 3 defendants must instead contend that the specification describes the items in the source material library as being physical objects, citing the '992 patent at 6:2-22. This, however, is not the case. At 6:2-7, the patentees stated that the items of information stored in the source material library may include analog and digital audio and video information, in addition to physical objects:

> Transmission system 100 of a preferred embodiment of the present invention preferably includes source material library means for temporary storage of items prior to conversion and storage in a compressed data library means. ***The items of information may include analog and digital audio and video information as well as physical objects*** such as books and records which require conversion to a compatible media type before converting, compressing and storing their audio and video data in the compressed data library means.

('992 patent at 5:66-6:7 emphasis added).

This is hardly an expression of manifest exclusion or restriction, representing a clear disavowal of claim scope limiting the meaning of items having information to physical objects and therefore the Court must give this term its ordinary meaning. *See, Teleflex*, 299 F.3d at 1325.

The Round 3 defendants further contend that the amendment to claim 19 during prosecution in which the word "information" was changed to "items containing information" precludes Acacia's construction of "items having information." Interestingly, the Round 3 defendants do not contend that this amendment is a disavowal of claim scope such that the patentees limited the meaning of "items having information" to physical objects, nor could they.

The Round 3 defendants further contend that "there is nothing in the specification to suggest that an 'item containing information' may be a virtual (i.e., an imaginary) object such as a computer file, which is nothing more than a unit of information which is stored on a physical medium."

Defendants ignore two facts. First, the specification states that the media formats in the source material library include "disks," obviously referring to computer disks. ('992 patent, 6:13-14). Persons of ordinary skill in the art would certainly have known in 1991 that information is stored on computer disks in the form of computer files. Clearly, then the specification does not preclude an item having information from being a computer file and in fact its supports this. Indeed, storing the items having information in the source material library as computer files on a computer disk would be entirely within the description in the specification. For instance, the specification states that the "items of information may include . . . digital audio and video information." ('992 patent, 6:2-3).

Computer files are described elsewhere in the specification as the manner for storing compressed information in the compressed data library. (*See, e.g.*, 10:17-30). "Files" are also described in claim 41.

The Court therefore should *not* re-write the claim term "items having information" to be limited only to "physical objects."

b) The Patent Specification is Enabled

The Round 3 defendants contend that the Court erred by limiting "items having information" to only information that is in an analog or digital format. The Court explained that it was limiting "items" in this manner, because it believed that the patentees themselves had limited items in this manner to "preserve the validity of the patent." (Markman I, at 11:9-11). The Court did not cite to any portion of the intrinsic evidence or find any facts that would demonstrate that the patentees either (1) believed that they needed to limit the meaning of "items" to "preserve the validity of the patent"; or (2) made an expression of manifest exclusion or restriction, representing a clear disavowal of claim scope to limit "items having information" to only information that is in an analog or digital format. Enablement is an ultimate conclusion of law resting upon factual determinations and is triable by a jury. *See, BJ Servs., Inc., v. Haliburton Energy Servs.*, 338 F.3d 1368, 1372 (Fed. Cir. 2003) ("Although enablement is a question of law, because of the factual nature of the inquiry in this case, it is amenable to resolution by the jury."). Thus, the Court could not have made a finding of enablement without having a jury find facts supporting the legal conclusion of non-enablement or determining on a motion for summary judgment that no genuine issues of material fact exist that the patent is not enabled.

Perhaps the Court's statement can be explained by the fact that, the Court was construing the claim term "identification encoding means," and thus its task was to find corresponding structure in the specification for the claimed functions. The Court expressed this when it stated in footnote 6 on page 11 of its Markman I Order that: "[n]either the claims nor the specification of the '992 patent disclose any structure for converting information in the 'items' to analog or digital form as required by the 'conversion means,' before the items are stored in the library means."

The patent specification does in fact disclose a structure for converting item of information into digital information. Specifically, the specification describes the example of a film. A film, like a book, does not contain analog or digital information that would be compatible to the inputs of the converter 113. Thus, as the specification states, the film must "be converted to or recorded on a media format compatible to the digital and analog inputs of the system prior to being compressed and stored in a compressed data library 118." ('992 patent, 6:15-19). The specification states that the film is converted to a digital format for input to the digital input receiver 124 of the converter using a telecine:

> If, for example, the retrieved information to be converted from the source material library 111 is a motion picture film, the picture frames in the film are passed through a digital telecine device to the digital input receiver 124.

('992 patent, 7:35-39).

Interestingly, the Round 1 defendants, in their Markman I briefs, had no trouble understanding that the items in the source material library that are not in an analog or digital format are converted to such a format. They even understood that this step occurs before the information is retrieved and understood that this step is not included in the claims, because this step is not always necessary:

> Thus, according to the patent, "items" are physical objects[19] such as audio and video tapes, books, documents, computer disks, and computer tapes. Some of these items contain analog or digital information that is compatible with the analog and digital inputs 124 and 127 of the conversion means 113 shown in FIG. 2a of the '992 patent, and some do not. For those that do not, such as

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[19] Acacia disagrees with the Round 1 defendants' statement that the "items" are physical objects.

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> books for example, the information is converted or recorded to a different media format that is compatible with the system.[7]
>
> [7] The step of "converting to a compatible media format" does not appear in the claims of the '992 patent because the patent explicitly discloses that it is not always necessary. This "converting" step occurs before the information is retrieved by the "identification encoding means" and is not the conversion step that appears in claims 1 and 41. ('992 patent at 6:15-22) ("The items of information may include . . . [20]physical objects such as books and records which require conversion to a compatible media type before converting, compressing and storing . . .") (emphasis added).

(Fish and Richardson defendants' (Round 1) Opposition re Markman I, at 13:14-28; Exhibit 16 to Block Suppl. Decl.).

The fact that the patent specification describes one structure for converting an item having information (a film) to a compatible digital format, but does not describe other structures for converting books or musical instruments does not mean that the patent is not enabling, as the Round 3 defendants contend. In their brief, the Round 3 defendants never state the Federal Circuit standard for enablement: "A decision on the issue of enablement requires determination of whether a person skilled in the pertinent art, using the knowledge available to such a person and the disclosure in the patent document, could make and use the invention without undue experimentation." *Northern Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 941 (Fed. Cir. 1990). If defendants were to later bring a motion for non-enablement, Acacia will demonstrate that, under the Federal Circuit standard for enablement, the patent is enabled. Acacia therefore reserves the right to address any enablement issues, at trial or when an appropriate motion on the issue of enablement is brought.

26. "Remote Locations" ('992 Patent, Claim 41)

Although the Round 3 defendants indicated in the Joint Claim Chart that it was seeking reconsideration of the term "remote locations," the Round 3 defendants do not address this term in their legal brief. Therefore, Acacia shall presume that the Round 3 defendants have withdrawn their request for reconsideration of the term "remote locations."

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[20] It is worth noting that the Round 1 defendants deleted the phrase from their quote which supports construing "items having information" as not being limited to physical items: "The items of information may include *analog and digital information as well as* physical objects such as books and records . . ." ('992 patent, at 6:2-4).

27. "Retrieving the Information in the Items from the Source Material Library" ('992 Patent, Claim 41)

In Markman I, the Court construed the term "retrieving" in the claim 1 "means-plus-function" phrase – "identification encoding means for retrieving the information in the items from the source material library and for assigning a unique identification code to the retrieved information" – according to its ordinary meaning to mean "to get something back."

The Round 3 defendants contend that the Court's construction is incorrect, because the Court has not construed the "source material library." As discussed above in Section No. 24.a., the Court did construe the "source material library" in Markman I as "a collection of existing materials."

As a result, the Round 3 defendants contend that the method step of claim 41 – "retrieving the information in the items from the source material library" – includes additional numerous limitations: (1) an electronically transmitted request be sent to the source material library, (2) the identification encoder extracts the information from the physical object, and (3) the identification encoder requires that the identification encoder ascertain whether the information in the item is in analog or digital format, and, if not, the identification encoder converts the information into analog or digital format.

The Court cannot add these limitations to the claim, because: (1) these limitations are not stated in the claim; (2) persons of ordinary skill in the art would not have understood these limitations to have been within the ordinary meaning of any of the claim terms; (3) there is no evidence in the intrinsic record that the patentees clearly intended to limit the claim scope using "words or expressions of manifest exclusion or restriction;" and (4) method claims recite acts, not structure. The legal arguments are the same as those presented above in Section 22.b.

The Round 3 defendants contend that their construction is correct, because the "source material library" is a "jukebox-like" device. It is not, as Acacia discussed above in Section No. 24.

The Round 3 defendants other arguments regarding the specification do not require the Court to construe "retrieving" in the manner they seek. While the Court is required to examine the specification in construing "retrieving," the Court is not required, nor even permitted, to import limitations from the specification into the claims. *Electro-Medical,* 34 F.3d at 1054. Further, although the Round 3 defendants cite to the specification, they do not point to any "expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope." *Teleflex,* 299 F.3d at 1325. The Court is therefore "constrained to follow the language of the claims." *Teleflex,* 299 F.3d at 1328 ("Absent such clear statements of scope, we are constrained to follow the language of the claim.") This is exactly what the Court did. (Markman I, at 13:3: "The Court gives the term 'retrieve' its ordinary meaning.")

The Round 3 defendants contend that the Court observed in its construction that it is the identification encoder that gets back the information stored on the physical items. (Round 3 defendants' Opposition, at 30:23-24). The Court did *not* find that the identification encoder gets back information. Rather, the Court was addressing the means-plus-function term – "identification encoding means" – from claim 1 of the '992 patent. Thus, the Court was not interpreting the term "identification encoder," and it did not hold that the "identification encoder" gets back information from the items. In fact, in Markman II, the Court was asked to construe the term "identification encoder." In its Order, the Court found that the identification encoder performs ten functions. (Markman II, at 15:13 – 16:9). None of the ten functions included extracting information from the item. (*Id.*) The Court further distinguished the claims of the '702 patent, which are apparatus claims, from claim 41 of the '992 patent, which is a method claim, which "discloses identification encoding not as an apparatus, but as a step in a method." (Markman II, at 16:10-25).

The Court also did not state that the items were limited to "physical items," as the Round 3 defendants contend.

The Round 3 defendants further contend that the specification "confirms" that it is the "identification encoder" that does the retrieving, citing 2:30-31 of the '992 patent. This portion of the specification does not "confirm" that the identification encoder does the retrieving; instead, this portion states that the "*identification encoding means*" retrieves information: "identification encoding means for retrieving the information for the items from the source material library means and assigning a unique identification code to the retrieved information." ('992 patent, 2:30-31). This language from the "summary" section of the patent tracks the language of claim 1 of the '992 patent.

The Round 3 defendants further contend that "the identification encoder must ascertain whether the information extracted from the item is already in analog or digital form. If it is not, the identification encoder must convert into analog or digital format." (Round 3 defendants' Opposition, at 31:18-21). The Round 3 defendants do not cite to the specification as support for this proposition. As discussed above, the Court in Markman II recited ten possible functions of the identification encoder, but did not find that ascertaining whether information is analog or digital or converting information is a function of the identification encoder.

a) The '992 Patent is Enabled

The Round 3 defendants contend that the "retrieving" step of claim 41 of the '992 patent is not enabled. Enablement is an issue arising under 35 U.S.C. § 112, ¶ 1 and therefore it is not relevant to claim construction or to whether the patent claims are indefinite under 35 U.S.C. § 112, ¶ 2. *See, Personalized Media Communis., LLC v. United States Int'l Trade Comm'n*, 161 F.3d 696, 706-707 (Fed. Cir. 1998) ("We conclude that the evidence relied upon by the Commission [regarding enablement] does not indicate imprecision of the claims. Instead, it is relevant, if at all, only the sufficiency of the written description to enable the practice of the invention of the claims, which is a ground of invalidity under 35 U.S.C. § 112, ¶ 1")

Acacia addresses the Round 3 defendants' non-enablement arguments in Section No. 25.b., *supra*, and Acacia incorporates that section herein and otherwise reserves its rights to address any non-enablement arguments that the defendants may raise at a later date.

28. "Assigning a Unique Identification Code to the Retrieved Information" ('992 Patent, Claim 41)

The Round 3 defendants contend that the Court's construction of this phrase has to be modified to state that this method step is performed by an identification encoder. The Round 3 defendants contend that this is the proper construction, because the term "transmission system" is construed to be the system depicted in Figures 2a and 2b and the component of this system that assigns unique identification codes is the "identification encoder."

The term "transmission system" is not limited to the system of Figures 2a and 2b, as discussed by Acacia above in Section No. 22. Further, the Court should not add a structural limitation to a method step, where none is specified in the claim itself. *See, Epcon Gas*, 279 F.3d at 1032. Indeed, in Markman II, the Court specifically distinguished claim 41 of the '992 patent, a method claim, from the claims of the '702 patent, which are apparatus claims, on the basis that the apparatus claims require structure, whereas the method claims describes steps. Specifically, the Court stated that the phrase in claim 41 "assigning a unique identification code to the retrieved information" does not disclose an apparatus, it discloses a step in a method:

> Apparatus claims cover what a device is, not what a device does. *See, Hewlett Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1468 (Fed. Cir. 1990). Figure 2a contains a block diagram designated "112" and labeled "IDENTIFICATION ENCODING PROCESS." A label entitled "Encoding Process" is more indicative of a *method* claim than it is of an apparatus claim. Indeed, the '992 patent, which is based on the same specification as the '702 patent, contains a method claim 41 which discloses identification encoding ***not as an apparatus, but as a step in a method*** [specifically referencing the step of claim of 41 of "assigning a unique identification code to the retrieved information."]

(Markman II, at 16:11-17; bold emphasis added).

29. "Placing the Formatted Data into a Sequence of Addressable Data Blocks" ('992 Patent, Claim 41)

a) The Court Has Construed the Phrase "Sequence of Addressable Data Blocks"

Acacia was surprised to read that the Round 3 defendants contend that the Court has not construed the phrase "sequence of addressable data blocks." (Round 3 defendants' Opposition, at 37:21). In the Joint Claim Chart of the Parties' Proposed Definitions for the Claim Terms from the '992 and '275 patents, the Round 3 defendants stated that "'[s]equence of addressable data blocks' is a term which the Court has already construed, meaning that TWC and CSC will be heard as to the construction of this term during the August 11, 2006 Markman hearing." (Joint Claim Chart, Document No. 186, at 7-8).

The Round 3 defendants contend that, in construing the phrase "ordering means for placing the formatted data into a sequence of addressable data blocks" in claim 1 of the '992 patent, the Court did not construe, nor did it even need to construe, the phrase "placing formatted data into a sequence of addressable data blocks." In construing a means-plus-function claim term, the Court must first construe the meaning of the claimed function.[21] Thus, the Round 3 defendants are wrong when they state that there was no reason for the Court to construe the phrase "sequence of addressable data blocks."

It is clear from the Court's Markman I Order, that the Court construed the phrase "sequence of addressable data blocks" to mean time encoded data blocks. The Court stated that the function of the ordering means is "placing items into a sequence of addressable data blocks" and stated that the "corresponding structure of the ordering means is the 'time encoder (Figure 2a (114)." (Markman I, 22:16-19). In fact, the Court cited to two passages from the '992 patent, which demonstrate that the Court interpreted "sequence of addressable data blocks" to mean time encoded data blocks:

> The transmission system 100 of the present invention also preferably includes ordering means for placing the formatted information into *a sequence of addressable data blocks*. As shown in FIG. 2a, the ordering means in the preferred embodiment includes time encoder 114. After the retrieved information is converted and formatted by the converter 113, the information may be time encoded by the time encoder 114. Time encoder 114 places the blocks of converted formatted information from converter 113 into a group of addressable blocks. *The preferred addressing scheme employs time encoding*.

('992 patent, 7:59 – 8:2; emphasis added).

> *The sequence of addressable data blocks which was time encoded and output by time encoder 114* is preferably sent to precompression processor 115.

('992 patent, 8:59-62; emphasis added).

b) The Phrase "Sequence of Addressable Data Blocks" Does not Have any Ordinary Meaning; the Patentees Acted as Their Own Lexicographers

The Round 3 defendants contend that the Court must construe the phrase "sequence of addressable data blocks" by separately construing each of the constituent terms of the phrase. This was the approach proposed by the Round 1 defendants at Markman I. (*See,* Fish and Richardson

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[21] *Golight*, 355 F.3d at 1333-34 ("The first step in construing a means-plus-function claim limitation is to define the particular function of the claim limitation. … we construe this function according to its ordinary meaning … . The next step in construing a means-plus-function claim limitation is to look to the specification and identify the corresponding structure for that function.") (quotations and citations omitted); *also see JVW Enters., Inc. v. Interact Accessories, Inc.*, 424 F.3d 1324, 1330-31 (Fed. Cir. 2005) ("Determining a claimed function and identifying structure corresponding to that function involve distinct, albeit related, steps that must occur in a particular order. In short, function must be determined before corresponding structure can be identified.")

Claim Construction Brief re ‘992 patent terms at 38-39; Exhibit 17 to Block Suppl. Decl..). The Court rejected this approach in construing the phrase “sequence of addressable data blocks.” (Markman I, at 22:15-21 and 23:2-5).

The fact that the Court did not construe this phrase by separately construing each constituent term of the phrase means that the Court found that the phrase was defined in the specification. In *Phillips*, the Federal Circuit stated that the specification “acts as a dictionary when it expressly defines terms used in the claims *or when it defines terms by implication*.” *Phillips*, 415 F.3d at 1321 (emphasis added), *citing*, *Vitronics*, 90 F.3d at 1582; *Irdeto*, 383 F.3d at 1300 (“Even when guidance is not provided in explicit definitional format, the specification may define claim terms by implication such that the meaning may be found in or ascertained by a reading of the patent documents.”) (citations omitted); *Novartis Pharms. Corp. v. Abbott Labs.*, 375 F.3d 1328, 1334-35 (Fed. Cir. 2004) (same); *Bell Atl. Network Servs., Inc. v. Covad Communications Group, Inc*., 262 F.3d 1258, 1268 (Fed. Cir. 2001) (“[A] claim term may be clearly redefined without an explicit statement of redefinition.”).

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c) The Term “Addressable” in the Phrase “Sequence of Addressable Data Blocks” Does Not Refer to Addressability in the Compressed Data Library

Parsing the terms of the phrase “sequence of addressable data blocks,” the Round 3 defendants contend that the term “addressable” in this phrase refers to the physical address of the data blocks when they are stored in the compressed data library. (Round 3 defendants’ Opposition, at 39:17-18). Neither the claims nor the specification support finding that “addressable” in this phrase refers to a physical address in the compressed data library.

The phrase “sequence of addressable data blocks” appears in claim 41 of the ‘992 patent. At the last Markman hearing, the parties informed the Court that they agree that the steps of claim 41 are performed in the order recited in the claim. Thus, the step of “placing the formatted data into a sequence of addressable data blocks” occurs *before* the step of compressing and occurs *before* the step of “storing, as a file, the compressed, formatted, and sequenced data blocks.” The “storing” step is when the data blocks are actually stored in the compressed data library. Before the storing step ever occurs, however, the so-called “addressable” data blocks must be compressed, and therefore must be addressable whilst in the compressor and when they are output from the compressor and prior to being stored as a file in the compressed data library. The time codes, which are added in the earlier step of "placing the formatted data into a sequence of addressable data blocks," provide this addressability.

The specification also makes clear that "addressable" in the phrase "sequence of addressable data blocks" does not mean a physical address in the compressed data library. First, nothing in the specification actually states or infers that "addressable" in the phrase "sequence of addressable data blocks" refers to a physical address in the compressed data library. The Round 3 defendants ignore the fact that the specification states, in reference to "sequence of addressable data blocks" that the addressing scheme is "time encoding;" the specification does not refer to the physical address in the compressed data library as the addressing scheme. (*See*, '992 patent, at 8:1-2: "The preferred addressing scheme employs time encoding.")

The specification also makes clear that time encoding (the addressing scheme) makes items and subsets of items of addressable, not only in the compressed data library, but *throughout the transmission system*:

> Time encoding by time encoder 114 makes itmes [sic] and subsets of items retrievable and addressable throughout the transmission system 100.

('992 patent, 8:50-52).

This is confirmed by another portion of the specification which states that "user and system addressing requirements" (not compressed data library addressing requirements) are provided using the "frame addresses" and "frame numbers"[22]:

> *User and system addressing* requirements dictate the level of granularity available to any particular section of the system. Users are able to move through data in various modes, thus moving through the *frame addresses* at various rates. . . .*Internal to the system*, the song is associated with a starting frame number, which was indexed by the system operator via the storage encoding process.

The Round 3 defendants contend that time encoding makes the data blocks addressable

[22] The Round 3 defendants contend that the "frame numbers" are equivalent to time codes. (Round 3 defendants' Opposition, at 41:16 – 42:3).

"because it can be used as an offset from the starting address which was assigned by the identification encoder." (Round 3 defendants' Opposition, at 39:21-40:1). The "starting address" is the file address used to store the file in the compressed data library. While the "starting address" may be useful for locating data blocks in the compressed data library, it is useless for locating data blocks in any other portion of the transmission system.

The specification describes other uses of time coding which relate to addressability, but have nothing to with a physical address in the compressed data library. For example, the patentees understood that the audio and video portions of the audio/video data would be separately time encoded and separately compressed. Following compression, the separate compressed audio and video data would need to be reunited and realigned in such a manner that the voice and picture are synchronized *prior* to storing in the compressed data library. The system uses the time codes to realign the audio and video. ('992 patent, 8:2-6). This is another example of the use of time codes for addressability, apart from the physical address in the compressed data library.

The Round 3 defendants contend further that time encoding is not the only way to achieve addressability. (Round 3 defendants' Opposition, at 40, n. 20). They contend that the patent states that non-video or audio information, such as books, may be used with the system and these types of materials are incompatible with time encoding. The patent specification does not exclude books from time encoding. Further, the time markers that are described in the specification are not described as being limited to the real time of the audio and video (i.e., they are not "absolute" time markers). In other words, nothing in the patent states that the time markers for a two hour movie must start at time zero and end exactly at two hours. Instead, the patent only states that the time markers need only be "*relative* time markers." ('992 patent, at 8:16-19). In the case of a book, the images of the book's pages may be converted to a digital format comprising digital data bytes (depicted in Figure 8c). These digital data bytes[23] may then be passed to the time encoder, where

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[23] Persons of ordinary skill in the art would have known that when audio, video, and books are converted to a digital format for processing by the time encoder, they would all comprise digital data bytes. (See, '992 patent, 8:7-10). At this level, the time encoder would not be able to distinguish between the digital data bytes of video, audio, or a book; they would all look the same to the time encoder.

"relative time markers" (not absolute time markers) are assigned. Nothing in the specification would prohibit the time encoder from assigning relative time markers to the data bytes of the book.

In fact, the patentees contemplated that materials, such as books, would be time encoded, just like audio and video information. For example, in the cited passage below, the patent specification states that frames or groups of frames, which may represent book pages, may be subsets of the items stored in the compressed data library. These items and subsets of items are retrievable and addressable using "time codes." Thus, the patent specification explicitly states that book pages may be time encoded:[24]

> The system item database may contain information records for individual frames or groups of frames. These can represent still frames, chapters, songs, *book pages*, etc. The frames are a subset of, and are contained within, the items stored in the compressed data library 118. Time encoding by time encoder 114 makes itmes and subsets of items retrievable and addressable throughout the transmission system 100.[25]

('992 patent, at 8:45-52).

The Round 3 defendants further contend that "time encoding" relates to the "addressability" part of the phrase "sequence of addressable data blocks," because the data blocks were "already placed into a sequence before time encoding." (Round 3 defendants' Opposition, at 42:10-11). It is indisputable that *time* is a sequence. The specification states that the "incoming signals are inputted and converted [by the converter] in sequence, starting with the first and ending with the last frame of the video data and starting with the first and ending with the last sample of the audio data." ('992 patent, 8:12-16). The sequence is provided by the relative time markers, not the fact that the frames are converted from the first one to the last one. This is evidenced by the claim 41's use of the phrase "sequenced data blocks." "Sequenced" refers to the fact that the data blocks are in a "sequence of addressable data blocks".

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[24] This directly contradicts the Round 3 defendants' statement that "Books, documents, and photographs, unlike audio tracks and video images, cannot be time encoded." (Round 3 defendants' Opposition, at 46:10-11).

[25] Time encoding materials other than audio and video, such as books, makes sense. If this system uses time codes for transmitting audio and video information, then this system could also be used to transmit books as well. Rather than reconfigure the system to use something other than time codes just for the books, the patentees contemplated using time codes for books as well. Thus, their system would be more robust than other systems, because it could transmit and receive books in addition to audio and video.

d) A "Data Block" is a Frame of Video or a Sample of Audio

By taking every instance where the term "data block" or "block" is ever used in the patent specification or in the prior art, the Round 3 defendants give the term "data block" in the phrase "sequence of addressable data blocks" a construction that the patentees never intended or described.

While the patent specification does use the term "data blocks" to describe many different types of data blocks, it is clear from the specification that, in the phrase "sequence of addressable data blocks," the patentees intended "data blocks" to refer to frames of video, samples of audio, and frames of data. The Federal Circuit held in *Pitney Bowes*, 182 F.3d at 1311 that where the specification has different uses of a term, in a claim, that term will be given the meaning that it has in the proper context in the specification:

> In circumstances such as this, where the language of the written description is sufficient to put a reader on notice of the different uses of a term, and where those uses are further apparent from publicly-available documents referenced in the patent file, it is appropriate to depart from the normal rule of construing seemingly identical terms in the same manner. This entirely accords with the public notice function of claims. *See Vitronics*, 90 F.3d at 1583, 39 U.S.P.Q.2D (BNA) at 1577; *Hoganas AB v. Dresser Indus*., 9 F.3d 948, 951, 28 U.S.P.Q.2D (BNA) 1936, 1939 (Fed. Cir. 1993). The prosecution history indicates to a reviewing member of the public that the '272 patent was one of several patents to be issued based upon the same written description disclosure. Parsing the written description, in the context of the prosecution history, puts the reader on notice that the term "spot" has different meanings in the written description depending on its context. Like *Genentech*, therefore, the term must be read to correspond to the only plausible meaning in each context. In light of the prosecution history, the only plausible meaning of the term "spot size", as used in the disputed part of the written description, is the area of discharge on the photoreceptor. The district court therefore erred when it relied upon the frequency of occurrences of the term "spot", in the context which all parties agreed meant the spot of light from the laser beam, to draw a "logical" conclusion that the two disputed occurrences of the term in the written description and all the occurrences of the term in the claims must also have that meaning.

Pitney Bowes, 182 F.3d at 1311; *See also*, *Genentech, Inc. v. The Wellcome Foundation Ltd.*, 29 F.3d 1555, 1564 (Fed. Cir. 1994).

Here, the specification states that frames of video and samples of audio are time encoded and states that these are data blocks (which are depicted in Figures 8a and 8b):

> The converted formatted information of the requested material is then preferably in the form of a series of digital data bytes which represent frames

> of video data and samples of the audio data. A preferred relationship of the audio and video bytes to each other is shown in FIG. 8. Incoming signals are input and converted in sequence, starting with the first and ending with the last frame of the video data, and starting with the first and ending with the last sample of the audio data.
>
> * * *
>
> FIGS. 8a-8e are block diagrams of preferred implementations of data structures and data blocking for items in the audio and video distribution system. FIG. 8a shows the block structure of video data where a video frame 812 is composed of a plurality of video samples 811, and a second of video 813 is composed of a plurality of video frames 812.
>
> FIG. 8b shows the block structure of audio data where an audio data frame 822 is composed of a plurality of audio sample 821, and a second of audio 823 is composed of a plurality of audio data frames 822. FIG. 8c shows the block structure of a data frame 832 composed of a plurality of data bytes 831. The combination of the audio frames 812, video frames 822, and data frames 832 comprise the elements of a single item.[26]

(‘992 patent, 8:7-16 and 19:44-51).

The references to data blocks in the specification relied on by defendants specify other types of data blocks, not those in the phrase “sequence of addressable data blocks:”[27]

- The reference in the ’992 patent at 16:45-52 refers to transferring data from the compressed data library to the communications controller;
- The reference in the ‘992 patent at 18:6-8 refers to the transceiver receiving transmitted data blocks;
- The references in the ‘992 patent at 19:57-60, 19:60-65, and 19:66-20:5 refer to the transmission of the data from the transmission system; and
- The reference in the ‘992 patent at 17:16-18 refers exclusively to satellite transmission and the “sequence of addressable data blocks” in claim 41, which is not limited to satellite transmission.

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[26] Figures 8d and 8e do not relate to the sequence of addressable data blocks. Figure 8d depicts the items in the source material library. (‘992 patent, 19:51-56). Figure 8e depicts “blocks of an item” when they are being transmitted and shows both multiplexed and non-multiplexed transmission. (‘992 patent, 19:57-20:5).

[27] Interestingly, defendants attempt to mislead the Court by ignoring the portion of the specification which actually discusses the sequence of addressable data blocks and states that the data blocks are the frames of video and the samples of audio. (‘992 patent, 8:7-16 and 19:44-51).

The dictionary definitions cited by the Round 3 defendants are also inapplicable, because they refer to the transmission of data, whereas the phrase "sequence of addressable data blocks" refers to the processing of the data prior to compression.

e) The Court Cannot *Infer* any Meaning to the Phrase "Sequence of Addressable Data Blocks" from the Examiner's Silence in the later-filed '863 Patent Prosecution History

The Round 3 defendants ask the Court to *infer* that the phrase "sequence of addressable data blocks" in claim 41 of the '992 patent does not mean "time encoder" based on the fact that the examiner allowed claim 17 of the later-filed '863 patent. The Round 3 defendants do not cite to any statement by the examiner or to any statement by the patentees in the prosecution history. Instead, they ask the Court to make inferences and speculate regarding the examiner's intent in allowing claim 17 of the '863 patent. The Court cannot construe the phrase "sequence of addressable data blocks" by drawing inferences from an examiner's silence. *Gart*, 254 F.3d at 1342 ("We note that drawing inferences of the meaning of claim terms from an examiner's silence is not a proper basis on which to construe a patent claim."), *citing*, *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1326 (Fed. Cir. 2001).

The Round 3 defendants are speculating that the examiner's silence in allowing claim 17 of the '863 patent has any bearing on the meaning of "sequence of addressable data blocks." For example, the Round 3 defendants contend that persons of skill in the art would have understood that the *Ballantyne* patent taught time encoded video frames. There is no evidence as to what one of ordinary skill in the art would have understood about *Ballantyne*, because *Ballantyne* does not teach, let alone even suggest, the use of time codes. Acacia reserves the right to address these and any other validity arguments at the proper time.

f) "Ordered Data Blocks" Means "Sequence of Addressable Data Blocks"

Claim 19 of the '992 patent uses the phrase "ordered data blocks." The Round 3 defendants contend that "ordered data blocks" is not used in the specification, but it means a "sequence of data blocks," which are not necessarily addressable.

Claim 20 depends from claim 19 and makes clear that "ordered data blocks" are the same as

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a "sequence of addressable data blocks:"

> *ordering* the converted analog signals and the formatted digital signals into a *sequence of addressable data blocks* and;
>
> compressing the *ordered information*.

('992 patent, claim 20; emphasis added).

g) The Round 3 Defendants' Proposed Construction of the Phrase "Sequence of Addressable Data Blocks" is Improper

The Round 3 defendants contend that their construction for "sequence of addressable data blocks" is proper and that Acacia's objections in its opening brief are unfounded. Although the defendants concede that time encoding is an addressing scheme, their proposed construction does *not* mention time encoding and would not cover time encoding. The Round 3 defendants' proposed construction states that "addressable" means that the storage location for each data block is known. This is not the meaning of "time encoding." Defendants also add the limitation that the "transmission system" must be able to retrieve any individual data block by using its storage location. This limitation appears nowhere in the phrase "sequence of addressable data blocks," or elsewhere in the claims or specification.

The Court should not change its construction for "sequence of addressable data blocks."

30. "Storing, as a File, the Compressed, Formatted, and Sequenced Data With the Assigned Unique Identification Code" ('992 Patent, Claim 41)

The Round 3 defendants contend that the Court has already construed the phrase "storing, as a file, the compressed, formatted, and sequenced data with the assigned unique identification code" to mean that a single file is formed and that the single file contains both the data and the unique identification code. This is not the Court's construction and defendants know this. Otherwise, why would defendants ask the Court to reconsider this term and change its prior construction to state these new limitations?

The Court's construction of this phrase makes clear that it did not construe this phrase as requiring that the unique identification code be stored within the file which contains the data. Had the Court intended to require this limitation, it would have construed this phrase to mean "storing, as a file, the compressed, formatted, and sequenced data ***and*** the unique identification code." It did not. Instead, the Court used the term "accompanying."

In Markman I, the Court explained that it was construing the term "with" consistent with its construction of the term "unique identification code," so that the term "with" means "'accompanying of in the presence of' such that sequenced data blocks are accompanied by a corresponding unique identification code when stored." (Markman I, at 26:3-6). In construing the term "unique identification code," the Court stated that "the unique identification code is assigned by the identification encoding means and accompanies information stored as compressed sequenced data through the data compression process." (Markman I, at 13:22-25). There is no file in the data compression process and therefore the Court could not have meant that the unique identification code is stored within the file.

The Round 3 defendants further contend that the specification "repeatedly and exclusively" discloses that the "compressed, sequenced data and the unique identification code are stored as '**a** file" by citing three parts of the specification which do nothing more than repeat the exact same phrase from the claim. ('863 patent, 2:40-44; 10:17-21; and 19:5-10). These passages do not support defendants' construction. Indeed, when the specification describes the contents of the file, it states that the file may contain the data, time markers, and the program notes, *but* it does not state that the unique identification code is stored within the file. If the patentees intended to require that the file contain both the data and the unique identification code, then this would have been the place to communicate that information, but the patentees did not:

> After compression processing by compressor 116, the compressed audio and video data is preferably formatted and placed into a single file by the compressed data storage means 117. The file may contain the compressed audio and/or video data, time markers, and the program notes. The file is addressable through the unique identification code assigned to the data by the identification encoder 112.

('992 patent, 10:23-30).

Defendants further ignore the language of the claim itself when they argue that the phrase "a file" means that the unique identification code must be stored within the file. The claim does not say "storing, as a file, the compressed, formatted, and sequenced data ***and*** the unique identification code." The claim language is perfectly understandable – the "file" refers only to the compressed, formatted, and sequenced data. The term "with" means "accompanies," as the Court held, and thus does not require that both the unique identification code and the data be stored in the file.

VIII. CONCLUSION

For the foregoing reasons, Acacia respectfully requests that the Court adopt Acacia's proposed constructions for the terms of claims 14-19 of the '863 patent and claims 4, 7, 8, and 11 of the '720 patent and that the Court let stand its previous constructions for the phrases of the '992 patent for which the Round 3 defendants seek reconsideration.

DATED: August 25, 2006

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EXHIBIT I

United States District Court
For the Northern District of California

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

Acacia Media Technologies Corp.,

Plaintiff,

vs.

New Destiny Internet Group, et al.,

Defendants.

And All Related and/or Consolidated Actions.

/

NO. C 05-01114

THIRD CLAIM CONSTRUCTION ORDER

I. BACKGROUND

This is the Third Claim Construction Order in this Multi-District Litigation case in which Plaintiff, Acacia Media Technologies Corporation, asserts infringement involving the Yurt's family of patents entitled, "Audio and Video Transmission and Receiving System ('992, '275, '863, '720, and '702).

On July 12, 2004, the Court issued its First Claim Construction Order. (hereafter, the "July 12 Order," filed in SA CV 02-1040-JW (MLGx).)

On December 7, 2005, the Court issued its Second Claim Construction Order. (hereafter, the "December 7 Order," Docket Item No. 119.)

United States District Court
For the Northern District of California

The Court held further claim construction hearings on June 14 and 15, and September 7 and 8, 2006. This Order gives the Court's construction of disputed terms in the '992 and '275 Patents which were the subject of the June and September hearings. The Patents which are not addressed in this Order will be subject of a subsequent Order.

II. WITHDRAWN CLAIMS

During the June and September hearings, the parties advised the Court that Acacia is withdrawing from assertion the following Claims of the '992 Patent: 1-18, 23-40, and 47-58. The parties represented that a formal stipulation of withdrawal will be filed with the Court. In view of the tendered withdrawal of those Claims, the Court will not give further consideration to construing them, unless the Court finds it necessary to do so to construe a Claim which remains in contention.

III. STANDARDS

Claim construction is purely a matter of law, to be decided exclusively by the Court. Markman v. Westview Instruments, Inc., 517 U.S. 370, 387 (1996). Claims are construed from the perspective of a person of ordinary skill in the art at the time of the invention. Markman v. Westview Instruments, Inc., 52 F.3d 967, 986 (Fed. Cir. 1995). To determine the meaning of the claim terms, the Court initially must look to intrinsic evidence, that is, the claims, the specification, and, if in evidence, the prosecution history. Autogiro v. United States, 384 F.2d 391 (Ct. Cl. 1967). The Court must look first to the words of the claims themselves. See Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1582 (Fed. Cir. 1996). These words are to be given their ordinary and customary meaning unless it is clear from the specification and prosecution history that the inventor used the term with a different meaning. Id. The claims should be interpreted consistently with the specification. See Renishaw PLC v. Marposs Societa' per Azioni, 158 F.3d 1243, 1250 (Fed. Cir. 1998).

Where intrinsic evidence alone resolves any ambiguity in a disputed claim term, it is improper to rely on evidence which is external to the patent and file history. Vitronics, 90 F.3d at 1583, 1585. However, extrinsic evidence may be considered in the rare instances where the intrinsic evidence is insufficient to enable the court to construe disputed claim terms. Id. at 1585. Common sources of extrinsic evidence include expert testimony, inventor testimony, dictionaries, and technical treatises and articles. Id. at 1584.

The Federal Circuit has consistently employed the caveat, "if possible," to their instruction that claims should be construed to sustain their validity. Rhine v. Casio, Inc., 183 F.3d 1342, 1345, (Fed. Cir. 1999) (citing Whittaker Corp. v. UNR Indus., Inc., 911 F.2d 709, 712 (Fed. Cir. 1990)). At the same time, the Federal Circuit has admonished against judicial rewriting of claims to preserve validity. Rhine, 183 F.3d at 1354 (citing Becton Dickinson & Co. v. C.R. Bard, Inc., 922 F.2d 792, 799 & n. 6 (Fed. Cir. 1990)).

IV. DISCUSSION

I. THE '992 PATENT

A. The '992 Patent - Claim 19

Claim 19 of the '992 Patent provides:[1]

> A distribution method responsive to requests from a **user** identifying **items** in a transmission system **containing information** to be sent from the **transmission system** to **receiving systems** at **remote locations**, the method comprising the steps of:
>
> > storing, in the transmission system, **information from items** in a compressed data form, the information including an identification code and **being placed into ordered data blocks**;
> >
> > sending a request, by the user to the transmission system, for **at least a part of the stored information** to be transmitted to one of the receiving systems at one of the **remote location selected by the user**;
> >
> > sending **at least a portion of the stored information** from the transmission system to the receiving system at the **selected remote location**;
> >
> > receiving the sent information by the receiving system at the **selected remote location**;
> >
> > storing a complete copy of the received information in the receiving system at the **selected remote location**; and
> >
> > **playing back the stored copy of the information using the receiving system** at the **selected remote location** at a **time requested by the user**.

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[1] Unless otherwise indicated, all bold typeface is added by the Court to emphasize the terms and phrases under consideration.

United States District Court
For the Northern District of California

United States District Court
For the Northern District of California

1. The Preamble of Claim 19

Before construing the words and phrases of the elements of Claim 19, the Court considers whether the Preamble is limiting.

The Preamble of Claim 19 provides:

> A distribution method responsive to requests from **a user** identifying items **in a transmission system** containing information to be sent from **the transmission system** to **receiving systems** at remote locations, the method comprising the steps of...

Generally, the preamble does not limit the claims. Allen Eng'g Corp. v. Bartell Indus., Inc., 299 F.3d 1336, (Fed. Cir. 2002) (citing DeGeorge v. Bernier, 768 F.2d 1318, 1322 n. 3 (Fed. Cir. 1985)). However, if a preamble is used as an antecedent, namely, to define the apparatus which performs the claimed invention, it is limiting. Allen Eng'g Corp., 299 F.3d at 1346 (citing Bell Comm. Research, Inc. v. Vitalink Comm. Corp., 55 F.3d 615, 620 (Fed. Cir. 1995)). In addition, "clear reliance on the preamble during prosecution to distinguish the claimed invention from the prior art transforms the preamble into a claim limitation because such reliance indicates use of the preamble to define, in part, the claimed invention." Catalina Marketing International Inc. v. Coolsavings.com, Inc., 289 F.3d 801, 808 (Fed. Cir. 2002) (citing Bristol-Meyers Squibb Co. v. Ben Venue Labs., Inc., 246 F.3d 1368 (Fed. Cir. 2001)).

The Court finds that the Preamble of Claim 19 is limiting for two reasons. First, the Preamble of Claim 19 is antecedent to the claims in that it requires the distribution method be performed by a "transmission system" and a "receiving system," in response to requests from a "user." Multiple claim elements refer to "the transmission system," "the receiving system," and "the user" based upon the Preamble. Second, the prosecution history of the '992 Patent shows that the Preamble of the claim which was eventually numbered Claim 19 was amended by the applicants to avoid prior art: (the additions are underscored)

> A distribution method responsive to requests from a user identifying items in a transmission system containing information to be sent from the transmission system to receiving systems at remote locations, the method comprising the steps of: . . .

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United States District Court
For the Northern District of California

(Round 3 Defendants' Claim Construction Brief - Part I at 8, Docket Item No. 159; Declaration of David Benyacar, hereafter, "Benyacar Decl.," Ex. F at 2, Docket Item No. 161.) The applicants confirmed in their accompanying remarks that the amendments were made to ". . . reflect that the distribution method recited in these claims involves both a transmission system and receiving system at a remote location, and that the received information is stored as a complete copy in the receiving system at the remote location." (Benyacar Decl., Ex. F at 12.) This amendment was made at the examiner's direction to overcome the previous rejections. (Id.)

The Court finds that the **Preamble of Claim 19 of the '992 Patent** is limiting as follows:

> **Based upon the Preamble of Claim 19 of the '992 Patent, the distribution method disclosed in Claim 19 of the '992 Patent must be performed by a "transmission system" having items containing information, which information is to be sent to "receiving systems" at remote locations in response to requests from a "user" identifying items.**

2. The Order of the Steps of Claim 19

It is undisputed that the steps of the elements of Claim 19 must be performed in the order that they appear in the claim. However, there is a dispute over whether each step must be completed before a subsequent step may commence. Each step of Claim 19 is antecedent to each succeeding step. It is inherent in the meaning of "antecedent" that a step of a method, which is antecedent to another step, must commence before the succeeding step commences, and it must finish before the succeeding step can finish. Therefore, the Court finds that each step need not be completed before a subsequent step may commence.

3. "transmission system"

The Court addresses the definition of the phrase "transmission system" because it is a limitation on the method disclosed in Claim 19.

The parties dispute the proper construction of the phrase, "transmission system" as previously defined by the Court and as used in Claim 19. In the July 12 Order, the Court construed the phrase "transmission system," as it is used in apparatus Claims 1, 17 and 27 of the '702 Patent and in Claims 1-18 of the '992 Patent. Based on the arguments in the briefs and presentations made during the June and September hearings, the Court reconsiders its definition of "transmission system."

United States District Court
For the Northern District of California

When the meaning of a term is sufficiently clear in the patent specification, that meaning shall apply. Multiform Desiccants, Inc. v. Medzam, LTD., 133 F.3d 1473, 1477 (Fed. Cir. 1998) (citing Intellical, Inc. v. Phonometrics, Inc., 952 F.2d 1384, 1388 (Fed. Cir. 1992)). "This rule of construction recognizes that the inventor may have imparted a special meaning to a term in order to convey a character or property or nuance relevant to the particular invention. Such special meaning, however, must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention." Multiform Desiccants, Inc., 133 F.3d at 1477.

In the July 12 Order, the Court treated "transmission system" as a term with a special meaning, namely, "an assembly of elements, hardware and software, that function together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system." (July 12 Order at 27-28.) The Court's July 12 definition recognizes that by "transmission system" the patentee meant something more than an apparatus which "transmits." The Court finds that the definition given in the July 12 Order recognizes some but not all of the components of what the patentee meant by the phrase "transmission system."

The phrases "transmission system" and "reception system" are coined terms. The inventions disclosed in the '992 Patent are audio and video transmission and receiving apparatuses and methods which operate over conventional communication channels, but ones in which a user remotely controls what material is transmitted and when it is played back. To accomplish this objective, the patentee disclosed an apparatus with interconnected components for preparing the audio and video information for user access and transmission, which the patentee coined as a "transmission system."

When the patentee acts as his or her own lexicographer, the court looks to the intrinsic evidence for a definition of the words and phrases used in a claim. Vitronics Corp., 90 F.3d at 1582. In the specification of the '992 Patent, the patentee defines the components of the "transmission system" as follow:

> To achieve the objects in accordance with the purposes of the present invention, as embodies and described herein, the **transmission** . . . **system** for providing information to remote locations comprises **source material library means** prior to identification and compression; **identification encoding means** for retrieving the information for the items from the source material library means and for assigning a

United States District Court
For the Northern District of California

> unique identification code to the retrieved information; **conversion means**, coupled to identification encoding means, for placing the retrieved information into a predetermined format as formatted data; **ordering means**, coupled to the conversion means, for placing the formatted data into a sequence of addressable data blocks; **compression means**, coupled to the ordering means, for compressing the formatted and sequenced data; **compressed data storing means**, coupled to the compression means, for storing as a file the compressed sequenced data received from the compression means with the unique identification code assigned by the identification encoding means; and **transmitter means**, coupled to the compressed data storing means, for sending at least portion of a specific file to a specific one of the remote locations.

('992 Patent, Col. 2:25-48.)

In specifying the components of "transmission system" the patentee uses a "structural tag plus means." Under this format, once a given means-plus-function component is introduced, the patentee may make subsequent references to the same structure by using the structural "tag" followed by the word "means," e.g., "After compression processing by compressor 116, the compressed audio and/or video data is preferably formatted and placed into a single file by the **compressed data storage means 117**." ('992 Patent, Col. 10:24-26). An apparatus claim which is in mean-plus-function format is limited to the corresponding structure in the specification and its equivalents. A method claim containing a preamble which requires that the steps be performed by an apparatus, is limited to that apparatus and any other apparatus identified in the specification for performing the specified step. Claim 19 is limited to the "transmission system" and "receiving system" disclosed in the specification.

In the July 12 Order, the Court defined some of the structures of the components of the "transmission system." Incorporation of those structures does not import preferred embodiments into a claim. The "transmission system" and "receiving system" and methods for using them to distribute audio and video information as described in the specification are the inventions in the '992 Patent. They are not preferred embodiments; they are the inventions themselves. When the embodiment is described as the invention itself, the claims are not entitled to a broader scope than the embodiment. Modine Manufacturing Co., v. United States International Trade Comm., 75 F.3d 1545, 1551 (Fed. Cir. 1996) (abrogated on other grounds by Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 234 F.3d 558 (Fed. Cir. 2000), rev'd by 535 U.S. 722 (2002)).

United States District Court
For the Northern District of California

The specification includes drawings of the "transmission system" described as follows:

> FIGS. 1a - 1g are high level block diagrams showing different configurations of the **transmission . . . system** of the present invention.

('992 Patent, Col. 3:50-53.)

> * * *
>
> FIGS. 2a and 2b illustrate detailed block diagrams of preferred implementations of the **transmission system** 100 of the present invention.

('992 Patent, Col. 5:59-61.) It is clear from the specification that the patentee intended "transmission system" to mean a particular assembly of elements depicted in the drawings and described in the specification. These elements are configured in such a fashion to fulfill the purposes of storing, retrieving and identification encoding, formatting, ordering, compressing, storing in a compressed data library, and transmitting information.

Further, in describing the components of the transmission system, the specification states which components are "coupled to" one another. The Court has previously defined "coupled to" to mean "directly connect to or attached to." (July 12 Order at 24.) The specification that a particular component be coupled to another is significant because it means that in order for information to proceed from one component to another, it must follow the same sequence. It also means that each interconnected component is essential because information can only be transferred to an interconnected component.

As used in Claim 19 of the '992 Patent, the Court construes the phrase **"transmission system"** to mean:

> **An apparatus which comprises the following interconnected components: a source material library means, an identification encoding means, a conversion means, an ordering means, a compression means, a compressed data storing means (as illustrated in the block diagram labeled Figure 2a), and a compressed data storage means and a transmitter means (as illustrated in the block diagram labeled Figure 2b). The corresponding structure for each means is the structure identified in the specification for performing the recited function.**

4. "receiving system"

The parties dispute the proper construction of the phrase "receiving system" as that phrase is used in Claim 19 of the '992 Patent. One aspect of the dispute is the patentee's use in the specification of the phrases "receiving system" and "reception system." The dispute is whether the

United States District Court
For the Northern District of California

two phrases are used interchangeably in the patent specification and should, therefore, be given the same definition.

The specification uses the phrases "receiving system" and "reception system" interchangeably.[2] For example, Figures 1a - 1g are block diagrams which contain graphic figures labeled "**200**," entitled "RECEPTION SYSTEM." With respect to Figures 1a - 1g, the written description describes them as illustrations of an embodiment of "receiving systems:"

> With respect to the transmission and **receiving systems** set forth in Figures 1a-1g. . .
>
> * * *
>
> In any of the transmission and **receiving systems** illustrated in FIGS. 1a - 1g, the requested material may be copy protected.

('992 Patent, Col. 4:64-65; Col. 5:34-35.)

With specific reference to Figure 1d, the specification uses the phrases "receiving systems" and "reception systems" interchangeably:

> FIG. 1d shows a high level block diagram of the transmission and **receiving system** of the present invention including a transmission system 100 distributing to a plurality of users via a **reception system 200** configured as a cable television system.

('992 Patent, Col. 4:14-18.)

At one point in the specification, graphic block 200 is called a "receiving system." At another place it is called a "reception system:"

> ... for communication with the **receiving system 200** . . .
>
> * * *

---

[2] The Court's attention is drawn to Claim 2 of the '275 Patent which also shares the same specification as the '992 Patent. Claim 2 of the '275 Patent does not use the terms interchangeably. Instead, Claim 2 refers to "receiving system" and "reception system" as being two separate but "associated" systems:

> A distribution method responsive to requests from a user identifying items in a transmission system containing information to be sent from the transmission system to **receiving systems** at remote locations, the method comprising the steps of:
>
> * * *
>
> sending a request, by the user to the transmission system, for at least a part of the stored information to be transmitted to a **reception system associated with a receiving system** at one of the remote locations selected by the user; . . .

Except for their use in Claim 2 of the '275 Patent, throughout the specification the patentee used the two phrases interchangeably. The Court will defer consideration of the effect of its construction on Claim 2 of the '275 Patent until that Claim is formally brought into consideration.

United States District Court
For the Northern District of California

> The received information is preferably buffered (step 418) by a storage means analogous to element 203 shown in FIG. 3. The information is preferably buffered so that it may be stored by the user for possible future viewings. The requested information is then payed back to the **reception system 200** of the user at the time requested by the user (step 419).

('992 Patent, Col. 6:31-32; Col. 19:30-36.) In light of the specification, the Court finds that the phrases "receiving system" and "reception system" should be given common definitions.

A second aspect of the dispute with respect to the phrase "receiving system" is the definition of the phrase itself. In the July 12 Order, the Court construed the phrase "reception system," used in Claim 1 of the '702 Patent, to mean "an assembly of elements, hardware and software, capable of functioning together to receive items of information." (July 12 Order at 28-29.) The '702 Patent shares the same specification as the '992 Patent. Upon reconsideration following the June and September hearings, the Court finds that the patentee intended "receiving system" to have a specialized meaning:

> Additionally, the present invention comprises a **receiving system** responsive to a user input identifying a choice of an item stored in a source material library to be played back to the subscriber at a location remote from the source material library, the item containing information to be sent from a transmitter to the receiving system, and wherein the receiving system comprises **transceiver means** for automatically receiving the requested information from the transmitter as compressed formatted data blocks; **receiver format conversion means**, coupled to the transceiver means, for converting the compressed formatted data blocks into a format suitable for storage and processing resulting in playback in real time; **storage means**, coupled to the receiver format conversion means, for holding the compressed formatted data; **decompressing means**, coupled to the receiver format conversion means, for decompressing the compressed formatted information; and **output data conversion means**, coupled to the decompressing means, for playing back the decompressed information in real time at a time specified by the user.

('992 Patent, Col. 2:61 - Col 3:14.)

Figure 6 is a block diagram illustrating an embodiment of a reception system which has the necessary components to perform the method disclosed in Claim 19. The specification also contains the phrase "receiving device." The specification provides that a "receiving device" is not part of a "receiving system:"

> The outputs from converters 211-214 are produced in real time. The real time output signals are output to a playback system such as a TV or audio amplifier. They may also be sent to an audio/video recorder of the user. By using the reception system 200 of the present invention, the user may utilize the stop, pause, and multiple viewing functions of the **receiving device**. Moreover, in a preferred embodiment of the present invention, the output

United States District Court
For the Northern District of California

> format converters may be connected to a recorder which enables the user to record the requested item for future multiple playbacks.

('992 Patent, Col. 18:34-45.) The Court finds that the "receiving device" in the above excerpt is not a "receiving system."

Some of the Defendants contend that the Court should construe the phrases "receiving system" to mean "a system which receives information, **either electronically or optically**, **directly** from a transmission system." Given the electronic nature of the invention, one skilled in audio and video transmission art could arguably read the Yurt's family of patents as limited to electronic transmission. However, the specification does not limit the system to electronic or optical transmission. The specification provides that transmission uses "any available communication channel." ('992 Patent, Col. 15:65-67.) Accordingly, the Court declines to add the requested "electronic or optical" limitation, preferring to leave it as a matter which does not require construction giving the nature of the invention.

The Court finds, however, that the use of the word "directly" in its construction would clarify that the invention is one which discloses transmission directly to receiving systems with no intermediary.

The Court construes the phrase **"receiving systems"** as follows:

> **In a distribution method as disclosed in Claim 19 of the '992 Patent, in which a transmission system sends information to receiving systems at remote locations in response to a user's request, the phrase "receiving systems" means "an apparatus which directly receives information from the transmission system. The apparatus comprises the following interconnected components: transceiver means, receiver format conversion means, storage means, decompressing means and output data conversion means, as illustrated in Figure 6. The corresponding structure for each means is the structure identified in the specification for performing the recited function. A "reception system" is the same apparatus as a "receiving system." A "receiving device" is not part of a receiving system.**

5. "remote locations"

The Court has been asked to reconsider its construction of the phrase "remote locations." It is a phrase which appears in multiple Claims of the '992 Patent. In the July 12 Order, the Court found as follows:

> The parties request construction of the term "remote locations" that appears in claims 1, 19, 22, 25, 41, 47 and 54 of the '992 Patent.

United States District Court
For the Northern District of California

* * *

> Therefore, the Court finds "remote locations" to have its ordinary meaning "positions or sites distant in space from some identified place or places." In claims 1 and 41 of the '992 Patent, the term "remote locations" means "positions or sites distant in space from the transmission system."

In light of the Court's determination that the Preamble of Claim 19 is limiting, the Court reexamines its construction of the phrase "remote locations," which is one of the limiting terms.

The Court construes **"remote locations"** as follows:

> **In a distribution method as disclosed in Claim 19 of the '992 Patent, in which a transmission system sends information to receiving systems at remote locations in response to a user's request, the phrase "remote locations" means "positions or sites distant in space from the transmission system."**[3]

6. "user"

Claim 19 claims a method for a transmission system and a receiving system to distribute information in response to requests from a "user." The parties dispute the construction of the word "user."

The specification contains numerous references to the "user" and to a related word "subscriber:"

The Abstract of the '992 Patent provides:

> A system of distributing video and/or audio information employs digital signal processing to achieve high rates of data compression. The compressed and encoded audio and/or video information is sent over standard telephone, cable or satellite broadcast channels to a receiver specified by a **subscriber** of the service, ...

The Summary of the Invention provides:

> Additionally, the present invention comprises a receiving system responsive to **a user** input identifying a choice of an item stored in a source material library to be played back to **the subscriber** ...

('992 Patent, Col. 2:62-65.)

The Description of Preferred Embodiments provides:

> The **user** then enters a customer ID code by which the system accesses the **user's** account, and indicates to the system that the **user is a subscriber** of the system (step 3030). In

[3] This construction also applies to the phrase as it appears in Claim 41 of the '992 Patent and Claims 2 and 5 of the '275 patent.

United States District Court
For the Northern District of California

> response to the **user** entering his ID code in step 3030 the system confirms whether the **user** is in good standing (step 3040). If the **user** is in good standing, the system queues the **user** to input his request (step 3050).
>
> The **user** request may preferably be made from a catalog sent to each of the **subscribers** of the system. The **user** will preferably identify his choice and enter the corresponding identification code of the item (step 3060). The system then preferably confirms the selection that the **user** has made and informs the **user** of the price of the selection (step 3070).

('992 Patent, Col. 14:14-28.) From the specification, one of skill in the art would understand that the method described in Claim 19, is one in which, a person, called a "user" requests information from the system. Some embodiments disclose a process by which only authorized users, i.e., "subscribers" are able to receive the information.

The specification of the '992 Patent also uses the word "operator" in describing the transmission and reception systems and methods. However, the word "operator" is used in the specification to signify someone who acts as part of the transmission system and is not used by the patentee to describe a "user." Two types of operators are described in the invention, both of which can act as part of the "transmission system."

The first operator function is the "system operator's function" and is described as:

> The unique address code is an address assigned to the item by the system operator during storage encoding,
>
> * * *
>
> The storage encoding process may be run by the system operator.

('992 Patent, Col. 10:58-59; Col. 11:13-14.)

The second operator function is that of a "telephone operator," for the purpose of taking requests from a user and manually entering such requests into the transmission system:

> Access by the users via **operator** assisted service includes **telephone operators** who answer calls from the users. The **operators** can sign up new customers, take orders, and help with any billing problems. The operators will preferably have computer terminals which give them access to account information and available program information. Operators can also assist a user who does not know a title by looking up information stored in files which may contain the program notes, as described above. Once the chosen program is identified, the operator informs the user of the price. After the user confirms the order, the user indicates the desired delivery time and destination. The operator then enters the user request into the system. The request is placed in the transmission queue.

('992 Patent, Col. 14:49-63.)

The Court finds that the construction of the word "user" should make clear that a "user" is not an "operator" as those terms are used in the specification.

The Court construes "**user**" as follows:

> **In a distribution method as disclosed in Claim 19 of the '992 Patent, in which a transmission system sends information to receiving systems at remote locations in response to a user's request, the word "user" means "a person who requests information from items in the transmission system." Any person acting as part of the transmission system, such as an operator, is not a user or a subscriber.**

7. "items. . .containing information"

The parties dispute the proper construction of the phrase "items. . .containing information" as that phrase is used in Claim 19 of the '992 Patent.

In addition to the phrase "items containing information," the specification of the '992 Patent uses the following related phrases: "items," "information from items," "items in the source material library," "information in the items," "items having information," and "items of information."

In the July 12 Order, the Court construed the phrase "items containing information" as follows:

> The Court construes the term "items containing information" to mean **"items containing information in analog or digital format."** The limitation requiring the information be stored in **analog or digital** format is necessary as the conversion means element 113 only converts analog and digital inputs into a "formatted data" output.[4]

(July 12 Order at 11, citing '992 Patent, figure 2a.)

The current dispute is whether the word "items" as used in the '992 Patent refers to physical items. The specification refers to "items" as follows:

> The source material library 111 may include different types of materials including television programs, movies, audio recordings, still pictures, files, books, computer tapes, computer disks, documents of various sorts, musical instruments, and other physical objects. These materials are converted to or recorded on a media format compatible to the digital and analog inputs of the system prior to being compressed and stored in a compressed data library 118.

---

[4] The Court inserted this footnote following the definition: "Neither the claims nor the specification of the '992 patent disclose any structure for converting information in the 'items' to analog or digital form as required by the 'conversation means,' before the items are stored in the library means. The claims and the specification disclose structure (figure 2a (113)), which converts only analog or digital information. Before the items are stored, the information in the 'items' stored in the library means must out of necessity already be in analog or digital format." (July 12 Order at 11, n. 6.)

United States District Court
For the Northern District of California

('992 Patent, Col. 6:10-19.) The Court finds that a proper reading of the specification renders that the word "items" means physical objects and not the "information" which might be contained in the physical objects.[5] For example, a computer file, would be information. The media used to store the computer file, such as a computer disk or a computer tape, in the source material library would be a physical item containing the information.

The Court defines **"items. . .containing information"** as follows:

In a distribution method as disclosed in Claim 19 of the '992 Patent, in which, responsive to requests from a user identifying "items" in a transmission system "containing information," information is sent from the transmission system to receiving systems at remote locations, the phrase "items containing information" means "physical items, such as video tapes, film, or computer disks, which contain audio information, video information or both."

8. "information from items"

Claim 19 discloses a method for storing in the transmission system, "information from items" in a compressed data form. The parties dispute the proper construction of the phrase "information from items."

Given the Court's previous construction of "items containing information," the Court defines **"information from items"** as follows:

In a distribution method as disclosed in Claim 19 of the '992 Patent, in which a transmission system sends information to receiving systems at remote locations in response to a user's request, "information from items" refers to audio information, video information or both audio and video information, which is derived by the transmission system from a physical item such as a tape, a film, or a computer storage disk.

9. "**storing . . .information . . . in a compressed data form the information including an identification code and being placed into ordered data blocks**."

Claim 19 provides in relevant parts:

A distribution method * * *comprising the steps of:

---

[5] A literal reading of Claim 19 is that the user requests "items containing information" (e.g., a video tapes) and that the items are "to be sent" from the transmission system to receiving systems. Thus, under this literal reading, the video tapes themselves would be sent. However, the specification makes it clear that the invention is not one in which the video tape is sent, but one in which movies are extracted from the video tapes, processed, and only the movies (information) are sent to the receiving systems.

> **storing**, in the transmission system, **information** from items **in a compressed data form**, the information including an identification code and being placed into ordered data blocks; . . .

The parties dispute the proper construction of this first "storing" step in the distribution method. Claim 19 contains a second storing step which is part of the receiving system. The Court will refer to this first "storing" step as the "storing information in a compressed data form" step. As part of its construction of this first step, the Court is asked to decide when, in the disclosed method, the unique identification code is assigned.

The specification of the '992 Patent discloses as an invention both apparatus and method claims. The apparatus disclosed is a system for distribution of audio and video information. Claim 19 is a "distribution method" drawn to the inherent functions of this distribution apparatus. In construing the words and phrases of Claim 19, the Court relies on a description of an embodiment of the method which is contained in Figure 7 and in the specification at column 18, line 53.[6] The distribution method in Figure 7 must be performed in the following sequence:

(a) retrieve information for selected items,

(b) assign a unique identification code (storage encoding)[7],

---

[6] Column 18, lines 50-52 provides: "Method 400 assumes that the items have already been stored in compressed data library 118." This provision contradicts the method illustrated in Figure 7 and described in Column 18: 53-19:36.

[7] The specification defines "storage encoding" and by its definition, it is clear that "storage encoding" is a step in the method different from "storing information in compressed data form." The specification provides:

> Prior to being made accessible to a user of the transmission and receiving system of the present invention, the item must be stored in at least one compressed data library 118, and given a unique identification code by identification encoder 112. **Storage encoding**, performed by identification encoder 112, aside from giving the item a unique identification code, optionally involves logging details about the item, called program notes, and assigning the item a popularity code. **Storage encoding may be performed just prior to conversion** [conversion means 113] of the item for transmission to reception system 200, **at any time after starting the conversion process** [conversion means 113] , **or after storing the item in the compressed data library** 118.

('992 Patent, Col. 6:35-47.)

Thus, assigning a unique identification code and other optional encoding of details or notes, all of which are called "storage encoding," may be performed: (a) just before conversion of the data to a suitable format for transmission; (b) during conversion of the data to a suitable format for transmission; or (c) after the data has been stored in the compressed data library.

United States District Court
For the Northern District of California

(c) converting and formatting,

(d) ordering into addressable data blocks,

(e) compressing,

(f) compressed data formatting and storing into compressed data library,

(g) transmitting the information in response to a user request,

(h) receive at remote location,

(I) buffer the data,

(j) playback at time requested.

In light of the specification, the Court finds that before the "storing information in a compressed data form" step is performed, the information must already have been assigned an identification code, converted, placed in ordered data blocks and compressed.

Other passages in the specification clarify that the "storing information in a compressed data form" step takes place after the unique identification code has been assigned:

> In the preferred embodiment, after identification encoding is performed by identification encoder 112, the retrieved information is placed into a predetermined format as formatted data by the converter 113.
>
> * * *
>
> In accordance with a preferred embodiment of the present invention, the transmission system 100 may further comprise **compressed data storing means**, coupled to the compression means, **for storing as a file the compressed sequenced data with the unique identification code received from the data compression means**. After compression processing by compressor 116, the compressed audio and video data is preferably formatted and placed into a single file by the compressed data storage means 117. The file may contain the compressed audio and/or video data, time markers, and the program notes. **The file is addressable through the unique identification code assigned to the data by the identification encoder** 112.

('992 Patent, Col. 6:58-62; Col. 10:17-30.) There is no place in the specification which describes how the unique identification code could be stored after the information has been placed in the compressed data library. In all embodiments, storing in compressed data form is described as being done with the unique identification code already assigned. Accordingly, in construing the step under consideration, the Court will define it so that the unique identification code is assigned after the step of "retrieving information from the source material library" and before the step of "placing data in predetermined format."

The first step of the method disclosed in Claim 19 is storing information in the compressed data library which, according to the specification, is performed by the compressed data storing means. Based on the language of this storing step, the information must have been assigned an identification code, compressed and put into order data blocks before the storing step.

The specification of the '992 Patent provides that, if information in the transmission system has already undergone a process otherwise performed by the transmission system, it may be passed directly to the compressed data formatter:

> In some cases, such as in inter-library transfers, incoming materials may be in a previously compressed form so that there is no need to perform compression by precompression processor 115 and compressors 128 and 129. In such a case, retrieved items are passed directly from identification encoder 112 to the compressed data formatter 117.

('992 Patent, Col. 7: 44 - 49.) It is apparent that assigning an identification code, formatting and compressing are essential functions which must be performed on the information before transmitting the information to the reception system. Accordingly, the Court interprets the storing step as operating on information which has already been encoded, formatted and compressed prior to the start of the method. Indeed, unless the "storing" step is construed in this fashion, an argument could be made that Claim 19 omits steps in the sequence which are essential to the distribution method as taught in the specification.

The step uses the phrase: "**being placed into ordered data blocks**." To preserve the validity of the Cl aim, the Court construes this phrase as "**having been placed into ordered data blocks.**"

The Court construes **"storing . . . information from items in compressed data form"** as follows:

> **In a distribution method as disclosed in Claim 19 of the '992 Patent, in which a transmission system sends information to receiving systems at remote locations in response to a user's request, "storing . . . the information in a compressed data form, the information including an identification code and being placed into ordered data blocks" means: "storing the information, along with an identification code, in the compressed data library of the transmission system, when, previously to storing: (a) an identification code has already been assigned to the information; (b) the information has been placed into ordered data blocks, and (c) the information has been compressed."**

United States District Court
For the Northern District of California

United States District Court
For the Northern District of California

10. "at least a part [portion] of the stored information"

Claim 19 provides in pertinent parts:

> A distribution method responsive to requests from a user identifying items in a transmission system containing information to be sent from the transmission system to **receiving systems** at **remote locations**, the method comprising the steps of:
>
> > storing, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks;
> >
> > sending a request, by the user to the transmission system, for **at least a part of the stored information** to be transmitted to one of the receiving systems at one of the remote location selected by the user;
> >
> > sending **at least a portion of the stored information** from the transmission system to the receiving system at the selected remote location.

The Court finds as follows:

The phrases "portion of the stored information" and "part of the stored information," as used in Claim 19 of the '992 are synonymous.[8]

The Court does not find it necessary to further construe these phrases.

11. "playing back the stored copy of the information using the receiving system"

Claim 19 provides in pertinent parts:

> A distribution method responsive to requests from a user identifying items in a transmission system containing information to be sent from the transmission system to receiving systems at remote locations, the method comprising the steps of:
>
> > * * *
> >
> > sending a request, by the user to the transmission system, for at least a part of the stored information . . .
> >
> > sending at least a portion of the stored information from the transmission system to the receiving system at the selected remote location;
> >
> > receiving the sent information by the receiving system at the selected remote location;
> >
> > storing a complete copy of the received information in the receiving system at the selected remote location; and

---

[8] The same terms appear in Claims 2 and 5 of the '275 Patent. Unless otherwise ordered, the Court's construction of these phrases as they appear in Claim 19 of the '992 Patent applies to these phrases as they appear in the '275 Patent.

United States District Court
For the Northern District of California

> **playing back the stored copy of the information using the receiving system** at the selected remote location at a time requested by the user.

This step in the method uses the phrase "playing back," which is commonly understood to mean to reproduce stored audio and video information in real time. In this step playing back is accomplished by "using the receiving system." The specification does not disclose any embodiments of the "receiving system" that includes speakers or video displays which would facilitate "playback." Instead, the specification discloses that the "receiving system" outputs to "receiving devices" of the user for "playback:"

> The separated audio and video information are respectively decompressed by audio decompressor 209 and video decompressor 208. The decompressed video data is then sent simultaneously to converter 206 including digital video output converter 211 and analog video output converter 213. The decompressed audio data is sent simultaneously to digital audio output converter 212 and analog audio output converter 214. The **outputs** from converters 211-214 are produced in real time. The real time **output signals** are output to a playback system such as a TV or audio amplifier.
>
> The real time output signals are output to a playback system such as a TV or audio amplifier. They may also be sent to an audio/video recorder of the user. By using the reception system 200 of the present invention, the user may utilize the stop, pause, and multiple viewing functions of the receiving device. Moreover, in a preferred embodiment of the present invention, the output format converters may be connected to a recorder which enables the user to record the requested item for future multiple playbacks.

('992 Patent, Col. 18:27-45.)

The specification discloses embodiments of the "receiving system" which have playback controls, though there are no disclosures of speaker or video displays:

> The reception system 200 has playback controls similar to the controls available on a standard audio/video recorder. These include: play, fast forward, rewind, stop, pause, and play slow.

('992 Patent, Col. 17:35-38.)

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United States District Court
For the Northern District of California

The specification discloses two configurations of a reception system, "direct connection"[9] and "non-direct connection." However, the specification discloses no structure which would allow a user to communicate directly with the reception system in a non-direct connection configuration. The Court interprets the embodiment of the reception system with playback controls as referring to a direct connection configuration. Accordingly, the "playback" step under consideration is defined to include both embodiments.

The Court construes the term **"playing back ... using the receiving system,"** as follows:

> **In a distribution method as disclosed in Claim 19 of the '992 Patent, in which a transmission system sends information to receiving systems at remote locations in response to a user's request, "playing back the stored copy of the information using the receiving system" means "using the receiving system to output the stored copy of the information in real time."**

12. "at a time requested by the user"

Claim 19 provides in pertinent parts:

> A distribution method responsive to requests from a user identifying items in a transmission system containing information to be sent from the transmission system to receiving systems at remote locations, the method comprising the steps of:
>
> > * * *
> > sending a request, by the user to the transmission system, for at least a part of the stored information . . .
> >
> > sending at least a portion of the stored information from the transmission system to the receiving system at the selected remote location;
> >
> > receiving the sent information by the receiving system at the selected remote location;
> >
> > storing a complete copy of the received information in the receiving system at the selected remote location; and
> >
> > playing back the stored copy of the information using the receiving system at the selected remote location **at a time requested by the user**.

---

[9] In **direct connection configurations**, such as reception system 200 shown in Figures. 1e and 1f, the user preferably select the reception system 200 to which the requested material is sent, and optionally selects the time playback of the requested material as desired. Accordingly, the user may remotely access the transmission system 100 from a location different than the location of receptions system 200 where the material will be sent and/or played back. Thus, for example, a user may preferably call transmission system 100 from work and have a movie sent to their house to be played back after dinner or at any later time of their choosing." ('992 Patent, Col. 5:10-21.)

United States District Court
For the Northern District of California

The Court finds that the "time" in the phrase "at a time requested by the user" refers to the time the user wants to receive the information at a device, such as a TV or VCR. This method gives the user the ability to designate a playback time. In this regard, the parties raise two issues: 1) whether designation of a playback time is optional or mandatory; 2) when, i.e., at what point is the playback time designated.

With respect to the first issue, to determine the optional or mandatory nature of the playback time, Court examines Figure 3, which is a flowchart of an embodiment of a distribution method practicing the claimed invention. Step 3090 of Figure 3 provides: "User may enter time and destination." The use of the word "may" suggests that the playback time is optional rather than mandatory. However, the specification does not contain the optional language of "may:"

> The user then indicates whether the confirmation performed in step 3070 is correct (step 3080). If the confirmation performed in step 3070 is correct, **the user so indicates and then inputs a desired delivery time and delivery location** (step 3090).

('992 Patent, Col. 14:29-33.) The specification does not disclose a means for the user to communicate with the transmission system after making the request for transmission of the information. This leads the Court to the second issue—at what point is the playback time designated.

First, a reasonable interpretation of the phrase "at a time requested by the user" is one in which "at the time" the user makes a request to the transmission system to transmit the information, the user designates a playback time which is at the time of the transmission or at a time later than the time of the transmission. While the transmission request and the playback time request must be made by the user to the transmission system at the same time, the actual playback time may be later than the transmission request time. This interpretation is supported by the specification. Figure 6 is a block diagram of an embodiment of the reception system. The specification of Figure 6 discusses playback time as follows:

> In the reception system 200 of the present invention, **the user may want to playback the requested item from the source material library 111 at a time later than when initially requested**. If that is the case, the compressed formatted data blocks from receiver format converter 202 are stored in storage 203. Storage 203 allows for temporary storage of the requested item until playback is requested.
>
> When playback is requested, the compressed formatted data blocks are sent ot [sic] data

United States District Court
For the Northern District of California

> formatter 204. Data formatter 204 processes the compressed formatted data blocks and distinguishes audio information from video information.

('992 Patent, Col. 18:14-26.) It is apparent that the user would be required to specify a playback time as part of the initial request. However, the user could specify a playback time which is later in time than the time when the request for transmission itself is being made. After the material is transmitted, it would be stored automatically in "storage 203" in the reception system. When the specified delayed playback time arrives, the system would automatically output it in real time. Although a delay in output would occur, the time for output would have been specified at the time of the initial request. There is no means disclosed in the specification by which the user can communicate with the transmission system to modify the designated delayed output time.

Second, there is support in the specification for an embodiment in which the user initiates playback after the information has been received by the reception system. The specification discloses an embodiment in which the user is able to request a particular song, for example, directly from the information "buffered"[10] in the reception system:

> For example, a user may desire to listen to a particular song. They may preferably enter the song number either when requesting the item from the compressed data library 118 and only have that song sent to their receiving system 200 or they may preferably select that particular song from the items buffered in their receiving system 200.

('992 Patent, Col. 8:36-42.) In another provision, the specification discloses an embodiment in which the reception system has playback controls which would allow the user to communicate a playback request directly to the reception system:

> The reception system 200 has playback controls similar to the controls available on a standard audio/video recorder. These include: play, fast forward, rewind, stop, pause, and play slow.

('992 Patent, Col. 17:35-39.)

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[10] The Court interprets "buffered," in this context, to mean "temporarily stored." There is no mention in the specification of what kind of a buffering device a user would have in such a receiving system.

United States District Court
For the Northern District of California

These embodiments in which the user is able to communicate a playback request directly from storage[11] in the reception system are described in the specification as direct connection configurations in which the reception system is located at the user's premises:

> In **direct connection configurations**, such as reception system 200 shown in FIGS. 1e and 1f, the user preferably select the reception system 200 to which the requested material is sent, and **optionally** selects the time playback of the requested material as desired. Accordingly, the user may remotely access the transmission system 100 from a location different than the location of receptions system 200 where the material will be sent and/or played back. Thus, for example, a user may preferably call transmission system 100 from work and have a movie sent to their house to be played back after dinner or at any later time of their choosing.
>
> In **non-direct connection** reception systems such as shown in reception system 200 of FIG. 1f, intermediate storage device 200c may preferably include, for example, sixteen hours of random access internal audio and video storage. A reception system with such storage is capable of storing several requested items for future playback. The user could then view and/or record a copy of the decompressed requested material in real time, or compressed in non-real time, at a time of their choosing. Accordingly, the user would not have to make a trip to the store to purchase or rent the requested material.

('992 Patent, Col. 5:10-33.) There is no detail for these embodiments. In any event, neither of these references to user controls at the reception system lead the Court to come to a different conclusion that the phrase "at the time requested by the user" should be construed to require that a playback time must be designated at the time of the initial transmission request.

The Court defines at **"a time requested by the user"** as follows:

> **In a distribution method as disclosed in Claim 19 of the '992 Patent, in which a transmission system sends information to receiving systems at remote locations in response to a user's request, in a nondirect connection configuration, the phrase "at a time requested by the user" means "at the output time specified by the user when the user makes the request to the transmission system to transmit information." At the time the user makes a request to the transmission system to transmit information, the user must designate an output time. At the time of the transmission request, a user may designate a delayed output time. If so, the information is transmitted to the receiving system where it is stored and at the pre-designated time, the information is automatically output by the receiving system.**

//

[11] The specification states that there can be "storage" in the reception system in a direct connection configuration: "Since items are preferably stored on random access media. . . ." (See '992 Patent, Col. 17:38-39.)

United States District Court
For the Northern District of California

B. The '992 Patent - Claim 20

Claim 20 of the '992 Patent provides:

> The distribution method as recited in claim 19, wherein the information in the items includes **analog and digital signals**, and wherein **the step of storing the information comprises** the steps, performed by the transmission system, of:
>
> converting the analog signals of the information to digital components;
>
> formatting the digital signals of the information;
>
> **ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks** and;
>
> compressing the ordered information.

1. The Preamble of Claim 20

As with Claim 19, the Court finds that the Preamble of Claim 20 of the '992 Patent is limiting because the terms in the Preamble are used as antecedents to the elements of the claim.

2. Arguable Ambiguity of Claim 20

The Court finds it helpful to first set forth what it has found as arguable ambiguity with certain aspects of Claim 20 of the '992 Patent.

The elements of a method claim are manipulative steps that are performed on an article or workpiece. In Claim 20, the article being worked on is the "information from items" as disclosed in Claim 19. As discussed above, Claim 19 imposes limitations on the "information," namely, that it has been compressed, assigned an identification code, and placed into ordered data blocks prior to the storing step. Claim 20 further limits the "information" to being in analog and digital signals.

The Preamble provides: "The distribution method as recited in claim 19, **wherein the step of storing** the information **comprises**. . . ." Thus, Claim 20 substitutes its "storing" steps (converting, formatting, ordering and compressing) for the "storing"steps of Claim 19. However, the steps of "storing" as disclosed in Claim 20 (converting, formatting, ordering and compressing) are attributes of the information which, of necessity, must be already present in the information when it is presented for "storing" in the performance of Claim 20. As set out above, through its limitations, Claim 19 discloses a storing step on a workpiece to which an identification code must have already been assigned and already have been placed into ordered data blocks and compressed.

United States District Court
For the Northern District of California

The fact that the method claimed in Claim 20 requires the performance of steps which of necessity are already present in the information before the steps commence renders Claim 20 arguably indefinite.

Another aspect of Claim 20 that makes it arguably indefinite is that it never discloses the actual step of "storing in the compressed data library." The Court finds that "storing" is an essential step of Claim 20 which has been omitted. The Court invites the parties to address the cited apparent ambiguities of Claim 20 in appropriate motions.

Furthermore, the Federal Circuit has held that an independent claim should not be interpreted in a way that is inconsistent with a dependent claim. Wright Med. Tech., Inc. v. Osteonics Corp., 122 F.3d 1440, (Fed. Cir. 1997) (citing Southwall Techs., Inc. v. Cardinal IG Co., 54 F.3d 1570, 1579 (Fed. Cir.), cert. denied, 516 U.S. 987 (1995)). Accordingly, the Court also invites the parties to address any implications of the Court's analysis of Claim 20 on the validity of Claim 19.

Notwithstanding the cited arguable ambiguity, the Court proceeds to consider other terms in Claim 20.

3. "analog and digital signals"

The Court has received no evidence that one skilled in the relevant art at the time of the application was aware of an item containing information that would contain both analog and digital signals. However, presuming that such an item is conceivable and could be part of the transmission system, the phrase "analog and digital signals" has a common meaning which require no further construction.

A question is raised as to whether the transmission system, which performs these steps, is capable of performing simultaneous operations on items containing both analog **and** digital signals. The apparatus claims pertaining to the transmission system have separated these functions. Claim 1 claims a generic conversion step, and Claims 3 and 4, depending from Claim 1, separately claim to convert analog and digital signals respectively.

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United States District Court
For the Northern District of California

4. "ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks"

Claim 20 describes a method for storing the analog and digital signals involving "converting," "formatting," "ordering," and "compressing." The parties dispute the proper construction of the "converting," "formatting" and "ordering" steps.

The specification describes the process of converting and formatting the information:

> When the information from identification encoder 112 is digital, the digital signal is input to the digital input receiver 124 where it is **converted** to a proper voltage. A **formatter** 125 sets the correct bit rates and encodes into least significant bit (lsb) first pulse code modulated (pcm) data. Formatter 125 includes **digital audio formatter 125a** and **digital video formatter 125b**. The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b. **Formatter 125 outputs the data in a predetermined format**.
>
> When the retrieved information from identification encoder 112 is analog, the information is input to an **analog-to-digital converter** 123 to convert the analog data of the retrieved information into a series of digital data bytes. **Converter 123 preferably forms the digital data bytes into the same format as the output of formatter 125.**

('992 Patent, Col. 7:1-18.)

In the July 12 Order, the Court construed the phrase "ordering means for placing the formatted data into a sequence of addressable data blocks" as a means-plus-function element. In a means-plus-function claim, the claims specify the function and the specification details the structure. The Court identified the "time encoder" (FIG. 2a 114) and its equivalents as the corresponding structure.

Claim 20 is not a means-plus-function claim. Thus, importing limitations from the specification is not appropriate. In Claim 20, the phrase "ordering into ... a sequence of addressable data blocks" is a very broad limitation which could include time encoding, as well as other ways of generating addressable data blocks. The parties have requested that the Court construe the word "addressable" as it applies to the data blocks. The specification contains the following with respect to the phrases "address" and "addressability:"

> Stored items are preferably accessed in compressed data library 118 through a unique address code. The unique address code is a file address for uniquely identifying the compressed data items stored in the compressed data library section of a library system. This file address, combined with the frame number, and the library system address allow for complete addressability of all items stored in one or more compressed data libraries 118.

United States District Court
For the Northern District of California

('992 Patent, Col. 10:46-57.) It is clear that there are multiple uses of the phrases "address" and "addressable." The ordering step in Claim 20 follows the conversion and formatting steps, and precedes the compression step. The claim element requires that the formatted and converted data be ordered into a sequence of addressable data blocks. The term "addressable" in the context of Claim 20 refers to the addressabilty of portions of the information within a file, and is not physical storage addresses.

The Court construes **"ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks"** as follows:

> **In a distribution method in which a transmission system stores the information, "ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks" means "in the transmission system placing the converted analog signals and the formatted digital signals into a sequence of data blocks, such that the ordering of the data blocks permits the retrieval of portions of information from items." "Addressable" does not refer to physical storage locations, but rather to positions relative to the beginning of a file containing information.**

C. The '992 Patent - Claim 21

Claim 21 of the '992 Patent provides:

> The method of claim 19 wherein the step of storing the items includes the substep of
>
> > storing the items in a plurality of compressed audio and video libraries in the transmission system.

1. The Order of the Steps of Claim 21

The parties dispute the order of the steps of Claim 21. Claim 19, in the first "storing" step, has only one step, namely that of "storing" information in the compressed data library 118, performed by the compressed data storing means 117. Claim 21 further limits Claim 19 to storing in more than one compressed data library. Claim 21 also necessitates that the first "storing" step in Claim 19 actually performs the step of storing information in the compressed library. If this were not the case, Claim 21 would be invalid. Independent claims are not to be construed to invalidate dependent claims.

The Court construes Claim 21 the '992 Patent as follows:

> **In a distribution method in which a transmission system is storing information in a compressed data form, the storing of the information can be in any order in several compressed data libraries.**

United States District Court
For the Northern District of California

D. The '992 Patent - Claim 41

Claim 41 of the '992 Patent provides:

> A method of transmitting information to **remote locations**, the transmission method comprising the steps, performed by a **transmission system**, of:
>
> > **storing** items having information in a **source material library**;
> >
> > retrieving the information in the items from the source material library;
> >
> > assigning a unique identification code to the retrieved information;
> >
> > **placing the retrieved information into a predetermined format as formatted data;**
> >
> > **placing the formatted data into a sequence of addressable data blocks**;
> >
> > compressing the formatted and sequenced data blocks;
> >
> > storing, as a file, the compressed, formatted, and sequenced data blocks with the assigned unique identification code; and
> >
> > sending at least a portion of the file **to one of the remote locations.**

1. The Preamble of Claim 41

For the reasons stated with respect to Claim 19, the Court finds that the Preamble of Claim 41 of the '992 Patent is limiting in that the method of transmitting information must be performed by a "transmission system," capable of performing the method.

2. The Order of the Steps of Claim 41

The parties agree that the steps of Claim 41 must be performed in the order enumerated in the claim. However, there is a dispute with respect to whether a prior step must be completed before a succeeding step may commence. (See Joint Chart of the Parties Proposed Definitions for Claim Terms From the '992 and '275 Patents at 9, ¶ 22.)

The language of Claim 41 makes each step antecedent to each succeeding step. As discussed in the order of the steps of Claim 19, a step, which is an antecedent to a succeeding step, must commence before the succeeding step commences, and the antecedent step must finish before the succeeding step can finish.

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United States District Court
For the Northern District of California

3. "transmission system"

The Court construes the phrase **"transmission system"** as used in Claim 41 as having the same meaning as given to the phrase as used in Claim 19.

4. "storing items having information in a source material library"

The parties dispute the proper construction of the phrase "storing items having information in a source material library."

As previously construed, the word **"items"** means physical items, such as video tapes, film, or computer disks, which contain audio information, video information or both.

The Court construes the phrase, **"items having information"** as used in Claim 41 to have the same meaning given to the phrase "items . . .containing information" as used in Claim 19.

The word **"storing"** is an active verb with a common meaning. The specification is silent as to any capabilities of the source material library to do any function other than to hold items having information. Since a step in a method must be a manipulative step or act, words such as "placing" or "putting" are appropriate synonyms for "storing" in the context of Claim 41.

In the July 12 Order, the Court defined the "source material library" as follows:

> The Court finds that the plain and ordinary meaning of the term "library" could mean either a collection of books or a place where books could be stored. The specification supports defining library to be a collection of original material, which contains analog or digital information, that the transmission system may convert, compress, and transmit. In other words, **the specification defines the source material library as a collection of original sources of information**.

(July 12 Order at 25.) The Court finds no reason to abandon this construction.

Accordingly, the Court construes the phrase "**storing items having information in a source material library**" as follows:

> **In a transmission method in which information from items having information is transmitted to remote locations and in which the transmission system performs the step of storing the items, the phrase "storing items having information in a source material library" means "placing physical items containing audio information or video information or both into a collection of original sources of information."**

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United States District Court
For the Northern District of California

5. "placing the formatted data into a sequence of addressable data blocks"

Consistent with its construction of Claim 20, the Court construes the phrase **"placing the formatted data into a sequence of addressable data blocks"** of Claim 41 of the '992 Patent as follows:

> **In a transmission method in which information is transmitted to remote locations and in which the transmission system performs the steps of placing the information into a predetermined format, the phrase "placing the formatted data into a sequence of addressable data blocks" means placing the formatted information into a sequence of data blocks, such that the ordering of the data blocks permits the retrieval of portions of information from items." "Addressable" does not refer to physical storage locations, but rather to positions relative to the beginning of a file containing information.**

6. "one of the remote locations"

The parties dispute whether the phrase "one of the remote locations" means "one or more" remote locations. The phrase has a plain and ordinary meaning. There is nothing in the specification or prosecution history which would support a specialized meaning.

The Court construes the phrase "**one of the remote locations**" as follows:

> **In a transmission method for transmitting information to remote locations comprising the steps performed by a transmission system of storing the information as a file and sending at least a portion of the file to one of the remote locations, the phrase, "one of the remote locations" means "a single remote location."**

E. The '992 Patent - Claim 42

Claim 42 of the '992 Patent provides:

> A transmission method as recited in claim 41, wherein the step of placing **further includes** the steps of:
>
> > A/D converting analog signals of the retrieved information into a series of digital data bytes; and
> >
> > **converting the series of digital data bytes into formatted data with a predetermined format.**

1. The Order of the Steps of Claim 42

It is undisputed that the steps of the elements of Claim 42 must be performed in the order that they appear in the claim. It is also undisputed that Claim 42 further limits the step of "placing ... as formatted data" of Claim 41. Claim 42 expressly states that it is adding further steps to Claim 41. There is a dispute with respect to whether the steps of Claim 42 are performed either before, after, or

United States District Court
For the Northern District of California

simultaneously with the relevant steps of Claim 41. Specifically, with respect to the "placing" step, Claim 41 provides:

> A method of transmitting information to remote locations, the transmission method comprising the steps, performed by a transmission system, of:
>
> * * *
>
> **placing the retrieved information into a predetermined format as formatted data;**

The Court finds that, if as required by Claim 42, the additional step "converting the series of digital data bytes **into formatted data with a predetermined format**" is added to the step of "placing **the retrieved information** into a **predetermined format as formatted data**" as required by Claim 41, then Claim 42 duplicates the "placing" step of Claim 41. This renders Claim 42 arguably indefinite as requiring extraneous and duplicative steps. The Court invites the parties to address the arguable indefiniteness of Claim 42 in appropriate motions.

F. The '992 Patent - Claim 43

Claim 43 of the '992 Patent provides:

> A transmission method as recited in claim 41, wherein the step of placing **further includes** the steps of:
>
> converting digital signals of the retrieved information into predetermined voltage levels; and
>
> **converting the predetermined voltage levels into formatted data with a predetermined format.**

Claim 43 is a dependent claim from Claim 41 and adds as a limitation that the step of "placing the retrieve information into a predetermined format as formatted data" operates on digital information. The Court's finding with respect to the sequence of the steps and of arguable indefiniteness of Claim 42 applies with equal force to Claim 43. The Court invites the parties to address the arguable indefiniteness of Claim 43 in appropriate motions.

G. The '992 Patent - Claim 45

Claim 45 of the '992 Patent provides:

> A transmission method as recited in claim 41, wherein the storing step further comprises the step of:
>
> **separately storing a plurality of files**, each including compressed, sequenced data blocks.

1. "separately storing a plurality of files"

Claim 45 is a method claim which depends from the method disclosed in Claim 41 and provides for separately storing a plurality of files. The specification does not describe storage in multiple files. The only description is storing a single file with "compressed, sequenced data blocks:"

> After compression processing by compressor 116, the compressed audio and video data is preferably formatted and placed into a **single file** by the compressed data storage means 117.
>
> * * *
>
> After the data is processed into a file by the compressed data storage means 117, it is preferably stored in a compressed data library 118.

('992 Patent, Col. 10:23-26; Col. 10:36-39.) In light of the fact that there is no description of storage in multiple files, the Court declines to construe the phrase "separately storing a plurality of files" as arguably indefinite.[12]

H. The '992 Patent - Claim 46

Claim 46 of the '992 Patent provides:

> A transmission method as recited in claim 45, further comprising the steps, performed by the transmission system, of:
>
> generating a listing of available items;
>
> **receiving transmission requests to transmit available items**; and
>
> retrieving stored formatted data blocks corresponding to requests from users.

The Court requires further briefing on the sequence of Claim 46, particularly with respect to when the element generating the "list of available items" takes place. In addition, the Court requires additional briefing with respect to the following specification:

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[12] Claim 45 seems to be a method claim derived from apparatus Claim 6, which provides:

> A transmission system as recited in claim 2, wherein the compressed data storing means further comprises:
>
> compressed data library means for **separately storing a plurality of files**, each including at least one compressed, sequenced data block.

Claim 6 claims that the compressed data library means 118 is capable of storing (holding) more than one file. In other words, "separately storing a plurality of files" is an attribute of the compressed data storing means 118. The attribute of being capable of storing a plurality of files does not lend itself to conversion to a manipulative step.

United States District Court
For the Northern District of California

United States District Court
For the Northern District of California

> The library access interface 121 in the reception system 200 preferably includes a title window where a list of available titles are alphabetically listed. This window has two modes: local listing of material contained within the library system control computer 1123, and library listing for all available titles which may be received from the available, remotely accessible libraries. The titles listed in this window are sent from the database on the library system control computer 1123 or the remote order processing and item database 300.

('992 Patent, Col. 17:44-53.) The Court questions whether this is an error and should read in transmission system as shown in Figure 2b.

II. THE '275 PATENT

A. The '275 Patent - Claim 2

Claim 2 of the '275 patent provides:

> A distribution method responsive to requests from a user identifying items in a **transmission system***[13] containing information to be sent from the transmission system to **receiving systems*** at **remote locations***[14], the method comprising the steps of:
>
> **storing, in the transmission system, information from items in a compressed data form***, the **information including an identification code and being placed into ordered data blocks***;
>
> sending a request, by the user to the transmission system, for at least a part of the stored information to be transmitted to **a reception system associated with a receiving system** at one of the remote locations selected by the user;
>
> sending at least a portion of the stored information from the transmission system to the reception system;
>
> receiving the sent information by the reception system;
>
> storing a complete copy of the received information in the reception system; and
>
> **playing back** the stored copy of the information **from the reception system to the receiving system** at the **selected remote location** at **a time requested by the user**.

1. The Preamble of Claim 2

For the reasons stated with respect to Claim 19 of the '992 Patent, the Court finds that the Preamble of Claim 2 of the '275 patent is limiting in that the distribution method must be performed

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[13] Each item identified with an asterisk (*) is given the same meaning as the terms or phrases construed in the '992 Patent.

[14] The Court considers the phrase "remote locations," which is used in the Preamble, to be a statement of purpose. This phrase does not limit the elements of the claim to having to send information to multiple receiving systems. The language of the elements of the claim, which limits transmission to "one" location, is controlling.

United States District Court
For the Northern District of California

by a "transmission system" which sends information to "receiving systems at remote locations" in response to requests from a "user."

2. "reception system associated with a receiving system at one of the remote locations selected by the user"

Claim 2 of the '275 Patent requires the following step:

> sending a request, by the user to the transmission system, for at least a part of the stored information to be transmitted to a **reception system associated with a receiving system at one of the remote locations selected by the user**;

The parties dispute the proper construction of the phrase "reception system associated with a receiving system at one of the remote locations selected by the user."

In this step, the user makes a request to the transmission system to transmit information to a single reception system, which is selected by the user. The selected reception system is one which is "associated with" a single receiving system. Therefore, in order to perform this step the system must contain a "reception system" "associated" with a "receiving system at the remote location." As discussed in Section **A4** above, the written description uses the phrases "receiving system" and "reception system" synonymously. Accordingly, the Court finds that the method requires a configuration in which a "reception system" is associated with another "reception system." Except for the language of the claim itself, there is no support in the written description for defining a configuration for one reception system communicating to another reception system. This lack of support arguably could render the written description, based on the original application, inadequate to support the later filed Claim 2 of the '275 Patent. See 35 U.S.C. §§112, 119, 120.

The specification does disclose embodiments in which a "reception system" outputs to a "receiving device."[15] If the Court were to construe "receiving system" to mean a "receiving device"

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[15] The separated audio and video information are respectively decompressed by audio decompressor 209 and video decompressor 208. The decompressed video data is then sent simultaneously to converter 206 including digital video output converter 211 and analog video output converter 213. The decompressed audio data is sent simultaneously to digital audio output converter 212 and analog audio output converter 214. The outputs from converters 211-214 are produced in real time. The real time output signals are output to a **playback system such as a TV or audio amplifier**.

The real time output signals are output to a playback system such as a TV or audio amplifier. They may also be sent to an audio/video recorder of the user. **By using the reception system 200 of the present invention, the user may utilize the stop, pause, and multiple viewing functions of** the potential indefiniteness discussed above would be avoided. However, such construction would give an inconsistent definition to the phrase "receiving system," in patents which are based on the same specification. Accordingly, the Court declines to construe the term "reception system associated with a receiving system at one of the remote locations selected by the user," pending further proceedings with respect to whether Claim 2 of the '275 Patent complies with the written description requirement of 35 U.S.C. § 112.

3. "playing back" the stored copy of the information from the reception system to the receiving system"

The last step of the distribution method disclosed in Claim 2 of the '275 Patent is:

> **playing back** the stored copy of the information **from the reception system to the receiving system** at the selected remote location at a time requested by the user.

This step requires the reception system selected by the user to "playback" the received information to the receiving system. "Playback" has a plain and ordinary meaning. Playing back from the reception system to the receiving system is a form of communication between the systems. As discussed in Section **A2** of this patent, there is no support in the written description for one reception system to communicate information to another reception system.

In addition, Title 37 of C.F.R. Section 1.83(a) requires:

> (a) The drawing in a nonprovisional application **must show** every feature of the invention specified in the claims.

37 C.F.R. § 1.83(a) (1996). Claim 2 of the '275 provides no drawings of a reception system communicating with the receiving system. Therefore, the Court declines to give a construction to the phrase "playing back the stored copy of the information from the reception system to the receiving system" pending further proceedings to determine whether Claim 2 of the '275 Patent complies with the written description requirement of 35 U.S.C. §112.

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the receiving device. Moreover, in a preferred embodiment of the present invention, the output format converters may be connected to a recorder which enables the user to record the requested item for future multiple playbacks. ('992 Patent, Col. 18:27-45.)

United States District Court
For the Northern District of California

United States District Court
For the Northern District of California

B. The '275 Patent - Claim 5

Claim 5 of the '275 Patent provides:

> A distribution method responsive to requests from a user identifying items in a transmission system containing information to be sent from the transmission system to receiving systems at remote locations, the method comprising the steps of:
>
> storing, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks;
>
> sending a request, by the user to the transmission system, for at least a part of the stored information to be transmitted to a reception system associated with a receiving system at one of the remote locations selected by the user;
>
> sending at least a portion of the stored information from the transmission system to the reception system over an **optical fiber communication path**;
>
> receiving the sent information by the reception system;
>
> storing a complete copy of the received information in the reception system; and
>
> playing back the stored copy of the information **sent over a cable communication path** from the reception system to the receiving system at the selected remote location at a time requested by the user.

Claim 5 of the '275 patent is identical to Claim 2, except Claim 5 requires using an "optical fiber communication path" to send information from the transmission system to the reception system and requires using a "cable communication path" to playback the information from the reception system to the receiving system. The requirement of Claim 5, that the reception system communicate with a receiving system, raises the same written description issue addressed above. The Court will defer consider of this claim pending further proceedings with respect to both claims.

V. CONCLUSION

The Court has construed the words and phrases of the '992 and '275 Patents submitted for construction. Other claims submitted for construction will be the subject of a subsequent Order. The Court invites any party desiring to file motions with respect to this Third Claim Construction Order to do so in accordance with the Civil Local Rules of the Court.

Dated: December 14, 2006

JAMES WARE
United States District Judge

United States District Court
For the Northern District of California

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Dated: December 14, 2006

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